

Social Care and Social Work Improvement Scotland, known as the

# **Care Inspectorate**

**Annual Report and Accounts**

**2014/15**

Annual Report and Accounts of the Care Inspectorate

This report is laid before the Scottish Parliament under Schedule 11 Section 15(2) of the Public Services Reform (Scotland) Act 2010

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## **Foreword by Cllr Paul Edie, Chair**

It has been another year of immense change. The organisation managed the development of a number of strategic changes, including the introduction of major new policies and changes in the way that we inspect services. Change management for the organisation has been a key priority, against the backdrop of wider, major change in the way that our country's health and social care services will be delivered in the future. One example is the implementation of the Children and Young People (Scotland) Act 2014, which has had a significant impact on the nature of early learning and childcare provision in Scotland.

Almost everybody in Scotland will use care at some stage in their life, and most care services perform well; this was verified by the early preparatory work on our first triennial review. My vision is that every person receives high quality, safe and compassionate care that meets their needs and promotes their rights. The organisation is committed to embedding a human rights based approach across the entire care sector to ensure that dignity and respect are always at the forefront throughout the planning, delivery, inspection and improvement of care.

Our staff, our experience and our scrutiny and improvement role all combine to make ours a powerful organisation that can and does protect people who use care services and also their carers.

The year 2014/15 was the first year of our new corporate plan (Corporate Plan 2014-2018) and our focus on six strategic objectives. The new corporate plan has proved to be a helpful framework for the organisation and its strategic development work.

This corporate plan sets out six high level strategic objectives which will continue to guide the Care Inspectorate's work through a period of ongoing change. Each of these strategic objectives are inter-connected to achieve synergy in realising our vision of high quality, safe and compassionate care for people in Scotland.

I am particularly pleased to see the work of our specialist teams become more established, in the second year since its introduction. This model means that inspectors have continued to primarily work in the subject discipline in which they have a practice background. This new approach has helped to further support and drive improvement. It has enabled our inspectors to maintain their professional knowledge and expertise and, more crucially, allowed them to use these core skills to help care services to improve where necessary.

Our strategic intelligence work has allowed us to continue to gather, analyse and report on a broad quantity of data from a wide range of sources. We have refined our intelligence gathering to better support outcomes focused risk assessment that underpins new scrutiny and improvement methodologies.

We made significant progress in the development and completion of our methodology review. Excellence in Care – developing our methodology for

scrutiny and improvement – was developed through extensive consultation with a range of stakeholders and partners, including providers and service users, and was the first phase of our work to review how we inspect and support improvement where this is necessary. It is crucial that we focus our scrutiny in the places where we have the most concerns and are able to be more proportionate in services which we know are performing well. Our consultation also took into account a number of wider policy developments, including the consultation on the new National Care Standards.

Indeed, the organisation responded, in some detail, to the Scottish Government's major consultation and review of the National Care Standards. It is proposed that under the new structure for National Care Standards, overarching quality standards should be developed based on human rights and well-being. These would describe the elements of a quality care experience rather than the requirements that are specific to a particular service type; this sits at the core of our new methodology for scrutiny and improvement. I am delighted that the Care Inspectorate has been asked by Scottish Government to work with Healthcare Improvement Scotland and a wide range of stakeholders to develop the new standards over the coming year.

Plans to ensure that health and social care services work more closely are well advanced and the Care Inspectorate continues to play a key role in the integration agenda as the first Integration Joint Boards became legally constituted. The integration planning and delivery principles are the lens through which all integration activity should be focused to achieve the national health and wellbeing outcomes. They set the ethos for delivering a radically reformed way of working and inform how services should be planned and delivered in the future. The principles also set a clear tone for both the national guidance and local implementation of the Public Bodies (Joint Working) (Scotland) Act 2014.

We also continued to work with other scrutiny bodies to continue our programme of joint inspections of services in community planning partnership areas.

In May 2015, we appointed our new Chief Executive, Karen Reid who formerly held the post of Depute Chief Executive/Director of Strategic Development within the organisation.

I would like to thank our Executive Team and all of our staff for the vital and valuable work that they do. Hundreds of thousands of people across Scotland experience better quality care and enhanced lives as a result of their efforts and professionalism. It is important that we continue to improve the work that we do so that we can provide assurance and protection to some of the most vulnerable people in our society.

Paul Edie  
Chair

# **Annual Report (including management commentary and remuneration report)**

## **Management Commentary**

### **Section 1: Strategic Report**

## 1.1 Chief Executive's Introduction

I am pleased to introduce our annual report for 2014/15, my first report since I took up the post of Chief Executive, in May. This was the fourth year of operation for the Care Inspectorate and highlights our efforts to continuously look at how we can refine, improve and expand our contribution to improving care and social work in Scotland. This report shows the progress made in developing an expert-led inspection body that acts more swiftly and fairly than it has ever done to help protect vulnerable people and improve the quality of care that they experience.

First and foremost, I would like to pay a personal tribute to our staff for their unstinting commitment and dedication to the organisation and its work. Our scrutiny and improvement work would not be possible without the hard work of our staff and their sense of commitment to help ensure that vulnerable people receive the highest possible quality of care. Our organisation's important work – to provide assurance to service users and their families - would not be possible without the resolve and diligence shown by our staff, particularly during a time of unprecedented change. Our workforce has continued to show commendable resilience and professionalism to ensure that we can protect those who rely on care services. Our staff will be a vital catalyst to consolidate excellence in all that we do and to ensure that the organisation has a clear, credible and authoritative voice. I would also like to thank our Board for their active involvement and participation, their constructive governance challenge and their commitment to the important work of the organisation. They provide effective and professional scrutiny of our strategic development work and of our corporate performance.

We have continued to undertake an extensive programme of inspecting regulated care services. Our inspections are risk-based, mostly unannounced and conducted against frequency criteria agreed by Scottish Ministers. This is the second year of our new approach to nationally and centrally planned inspections which have now become well embedded. This has enabled us to better manage risk and resources across a wider area and to respond more efficaciously and flexibly to wider, changing conditions within the health and social care sector.

Ensuring rigour and robustness in all that we do is imperative and, where standards are not what we expect them to be, we continue to use our powers to seek improvement where possible; we will continue to use our legal powers to protect vulnerable people from harm wherever and whenever necessary. During the course of the inspection year, we dealt with some high-profile and challenging enforcement action, both in early years and older people's services to ensure that people who use services are protected and experience high quality, safe and compassionate care.

In addition to our regulated care services inspections, we have further developed and established our programme of joint inspections with other national scrutiny partners, including Education Scotland, Her Majesty's Inspectorate of Constabulary for Scotland and Healthcare Improvement Scotland. These joint inspections assess and examine how well services are

provided across any given community partnership planning area and how well those services are working together. In addition, we continue to work closely with social work departments – including criminal justice social work – to help them evaluate their own practice and promote constructive challenge to help improvement.

It is imperative that we strike the right balance between regulation, inspection, improvement and public assurance, and so, we will continue to focus scrutiny on the areas of greatest risk. We want to target our scrutiny in the places where we have the most concerns; whilst being more proportionate in services which we know are performing well. We are seeking to move away from a traditional compliance model of inspection to one that is more collaborative, placing the person receiving the service at the heart of care, whilst supporting the needs of providers to improve in challenging times through sharing good practice. Exercising this important responsibility requires a clear, strategic vision and a strong values based approach; this way, we can focus on the things that matter most. I am fully committed to reinforcing our drive to place dignity, respect and choice at the very core of the improvement to quality of care that our work can bring.

In order to achieve this, we need to gather and assess intelligence from complaints, inspection and partners and adjust our scrutiny and improvement accordingly. This approach has informed the development of our new methodology for scrutiny and improvement, Excellence in Care, and we will continue to review how we inspect and support improvement; we will also undertake tests of change – implementing new ideas on a small scale – quickly and cost effectively, allowing us to measure the results before introducing wider changes to improve our scrutiny work.

There will be clear synergies between the development of our new methodologies and the development of the new National Care Standards; I am honoured that our organisation was asked to co-chair the development group and to work with partners to lead the overall process for developing the content of new standards, in conjunction with Healthcare Improvement Scotland (HIS). Our aim is to embed a human rights and wellbeing based approach to health and social care in Scotland and to acknowledge that human rights provide the unassailable principle that people should be able to participate in society as full and active citizens where their individual needs, rights and choices are respected, promoted and reflected in high quality, safe and compassionate care.

During 2014/15, our consultation on our complaints procedure became our most successful stakeholder consultation to date and the results of this will help to inform the future complaints procedure for complaints about care services. Our complaints work plays a key role in improving the quality of care across Scotland, ensuring that there is a strong focus on outcomes for people relying on services. This means that we can require changes were necessary; in turn, this will help us to work diligently to help improve and protect the lives of vulnerable people and communities across Scotland.

The Care Inspectorate became subject to the Scottish Regulators' Strategic Code of Practice ("the Code") during March 2015. The Code is made by the Scottish Ministers and laid before the Scottish Parliament in accordance with the provisions of the Regulatory Reform (Scotland) Act 2014 ("the 2014 Act"), and sets out how regulators should exercise their functions in a way which is compliant with s5 of the 2014 Act, which imposes a duty upon regulators to contribute to sustainable economic growth. The Care Inspectorate will identify core Policies and Procedures for review in terms of the Code during 2015/16. Future Annual Reports will record the steps taken and progress made by the Care Inspectorate in giving effect to the Code.

Karen Reid  
Chief Executive

## **1.2 About the Care Inspectorate**

The Care Inspectorate is the official statutory body responsible for inspecting standards and furthering improvement of social work and social care in Scotland. That means we regulate and inspect care services to make sure they meet the right standards. We also carry out joint inspections with other bodies to check how well different organisations in local areas are working to support adults and children. We help ensure social work, including criminal justice social work, meets high standards.

It is our responsibility to provide assurance and protection for people who use services, their families and carers and the wider public. We play a key part in improving services for adults and children across Scotland, acting as a catalyst for change, improvement, innovation and promoting good practice.

We are an executive non-departmental public body. This means we operate independently from Scottish Ministers but are accountable to them and are publicly funded. Our functions, duties and powers are set out in the Public Services Reform (Scotland) Act 2010 and associated regulations.

Our Board sets our strategic direction and oversees governance, while taking account of legislation and Scottish Government policy guidance. You will find more about our Board in Appendix 2. Our staff team is led by our Chief Executive and three directors.

We regulate 13,982 care services. The bulk of these are childminders, care homes, care at home, daycare of children, and housing support. In addition, we also regulate adoption and fostering services, secure care, school accommodation, nurse agencies, and offender accommodation. You will find more information about the numbers and types of services we regulate in Appendix 4.

Our regulatory work includes registering and inspecting care services, dealing with complaints and carrying out enforcement action, where necessary, to make services improve.

During 2014/15, we continued with our joint inspections for children's services and adults' services. The inspections of services for children and young people are led by the Care Inspectorate, working alongside education, health and police scrutiny partners. We examine how well services are provided in community planning partnership areas, and how well those services are working together to improve the outcomes for children and young people. Working with Healthcare Improvement Scotland, we have continued our work on inspections of services for older people during 2014/15. Over coming months we will review our methodology so that together with our scrutiny partner Healthcare Improvement Scotland we focus on strategic commissioning and how well services work together to deliver high quality, safe and compassionate care for adults across Scotland.

We also provide scrutiny of social work services in Scotland's 32 local authorities and partners, including criminal justice social work. The year 2014/15 further developed the work of our team of link inspectors, who work within each local authority/community planning partnership area where we help them evaluate their own practice, and promote constructive challenge to support improvement. If things go seriously wrong in criminal justice social work, we help make sure the right lessons are learned by providing scrutiny of Serious Incident Reviews. Local authorities must also notify us about the death of a looked after child, and where necessary we review the circumstances surrounding the death.

### **Care Inspectorate Vision**

The Care Inspectorate believes that people in Scotland should experience a better quality of life as a result of accessible, excellent services that are designed and delivered to reflect their individual needs and promote their rights.

### **Care Inspectorate Purpose**

The Care Inspectorate will contribute to this vision by:

- providing assurance and protection for people who use services and their carers
- delivering efficient and effective regulation and inspection
- acting as a catalyst for change and innovation
- supporting improvement and signposting good practice.

### **Care Inspectorate Values**

- person-centred – we will put people at the heart of everything we do
- fairness – we will act fairly, be transparent and treat people equally
- respect – we will be respectful in all that we do
- integrity – we will be impartial and act to improve care for the people of Scotland
- efficiency – we will provide the best possible quality and public value from our work.

### **How we regulate services**

We register all new care services to ensure that they meet legal requirements, evidence their ability to provide good quality care and take into account the National Care Standards. We may make variations to any conditions of registration. When a service cancels its registration or is faced with a sudden closure through the financial collapse of the company, the subsequent registration cancellation aims to safeguard the people who are using the service by working with the provider, local authority and others to ensure changes are planned and uncertainty is minimised.

### **How we inspect**

Our inspection plan is agreed by Scottish Ministers. In 2014/15, the majority of inspections were unannounced. Using intelligence, our inspection plan focuses on poorer performing and high risk services. Inspectors use a variety of methods, depending on the type of service they are inspecting.

With regulated care services, we grade services and follow up inspections with recommendations, requirements and enforcement action as necessary. We visit every service we inspect and talk to people who use care services, their carers and their families. We talk to staff and managers privately and in groups, examine what quality of care is being provided, look at the activities happening on the day, examine records and files, and ensure people have choices that reflect their needs and promote their rights.

We take account of self-evaluation from the service itself, the National Care Standards, any recommendations we have made previously, any complaints against the service and any enforcement actions we have taken. We grade care services using a six-point scale from unsatisfactory to excellent across four themes: their quality of care and support, their quality of environment, their quality of staffing, and their quality of management and leadership.

We also deal with complaints about regulated care services. Complaints made against a service may affect its grades and how frequently we inspect it.

## 1.3 How we performed

This section details how we performed against:

- the six strategic objectives in the corporate plan for 2014 to 2018
- the key performance indicators (KPIs) associated with the outcomes.

Key performance indicators measure how we performed against our strategic objectives.

We include quality indicators (QIs) within our performance framework, and these are listed alongside our KPIs in Appendix 3. Our QIs include a mix of qualitative and quantitative measures, and incorporate KPIs along with other measures. We have continued to build our evidence base that will support our evaluations and, in time, we will report on our performance against these QIs.

Regular monthly and quarterly reports on our performance, with a particular focus on our KPIs, provide our managers with information to monitor progress and take action where necessary. Quarterly performance reports are discussed by the Board of the Care Inspectorate.

### **Strategic objective 1: To provide assurance and build confidence through robust regulation and inspection of the quality of care**

Over the course of 2014/15 we reviewed our models of scrutiny and improvement and developed new approaches to inspection, and to the work we do to support improvement, that we will test and refine over the next year. We have called this programme “Excellence in Care”. Our new approaches are more focussed on:

- improving outcomes for people who use the services we scrutinise;
- ensuring we are being more proportionate, using intelligence from a range of sources to identify where the risks to people are and therefore where we should focus our scrutiny; and
- enabling continuous improvement across the sector, making best use of the expertise of our inspectors and their overview of best practice across the sector.

The specific changes that come into effect from 1 April 2015 include:

- how we use requirements to focus services on making sustainable improvements in outcomes for people, with a clear focus on setting requirements where there are concerns about the health, safety and well-being of people who use care services;
- how we use self assessments;
- our approach to re-grading services;
- our new follow-up inspection; and
- our 2015/16 Inspection Focus Area looking at the implementation of the Scottish Government’s Learning Disability Strategy “The Keys to Life” and the findings of the enquiry into Winterbourne View. These

inspections will take place over 2015/16 and our findings will provide valuable information across the sector and will inform the improvement agenda for future years.

You can find more information about Excellence in Care on our website.

### **Registered care services**

At 31 March 2015, there were 13,982 registered care services operating in Scotland. The majority of these services perform well: 88% of services that had been inspected and graded by the end of the year had grades of good or better for every theme. Over the year, 95% of those services that started the year with grades of good or better for every theme maintained or improved on those grades. You will find more information about numbers and types of services, and their grades, in Appendix 4.

### **Care service inspections**

Every year we agree an inspection plan with Ministers, which covers all of the inspections that we must undertake in that year. This plan includes:

- services that we must inspect at least once every 12 months, namely care homes, care at home and secure accommodation;
- services that we do not have to inspect every year, but that we have some concerns about based on previous inspection history and our risk assessment; and
- services that we believe are good quality but that we have not inspected recently.

Our plan is dynamic and will change through the year responding to new registrations, cancellations, services becoming inactive, and risks increasing or decreasing through the year depending on the intelligence we collect about each service.

In 2014/15, we completed 7,818 inspections of care services in total (7,825 in 2013/14).

KPI-1a: We completed 99.1% (7193) of our 7258 required inspections in 2014/15, meeting our 99% target. This is higher than the 98% completed in 2013/14. Of the 65 services not inspected the main reasons for not inspecting were no service users in the service; on-going legal and enforcement issues CI resources issues.

<b>KPI 1a</b>	<b>Target</b>	<b>Performance 2014/15 (2013/14)</b>
% of required inspections completed	99%	99.1% (97.9%*)

\*note that KPI-1a had a slightly different definition in 2013/14 and the figure presented has been revised to be comparable with the 14/15 performance.

KPI 1b: The inspection plan that we agreed with ministers for 2014/15 stipulated the maximum length of time between inspections. This ranges from 12 months for some service types such as care homes to four years for other service types, such as childminders providing high quality care. As part of our national inspection planning approach, we set a date by which each service should be inspected next – we call this the “last possible date of inspection”. This KPI shows that we met this date 72% of the time, slightly lower than for last year. To ensure that we can vary dates of inspection every year, we have agreement to extend this date by up to three months for services on a one year frequency. We inspected a further 12% within this additional three month period. We will continue to monitor our progress against this new measure closely over 2015/16.

<b>KPI 1b</b>	<b>Target</b>	<b>Performance 2014/15 (2013/14)</b>
% of inspections completed that were completed by the last possible date	99%	72% (74%)

KPI 2: Our priority is to focus inspection on services that pose the greatest risk, and this can mean inspecting some of the high risk services several times during the year to ensure that improvements are being made, or bringing forward an inspection that was not planned until future years. This type of additional inspection cannot be planned for at the start of a year in our annual plan. Therefore this indicator shows the proportion of our inspection work that we have carried out over and above our annual inspection plan, and gives an indication of the extra resources that we focus on a very small number of poor quality services.

We carried out an additional 304 care service inspections (3.9% of all the inspections we carried out) which had not been included in our plan at the start of the year. This figure does not reflect any additional follow-up visits made as a result of enforcement or to evidence improvements following requirements to improve the quality of care. Note that the 6.6% observed in 2013/14 was unusually high and included the considerable changes to the inspection plan as a result of our move to national inspection planning and to specialist teams as well as our reaction to increased risk.

<b>KPI 2</b>	<b>Target</b>	<b>Performance 2014/15 (2013/14)</b>
% inspections completed that were additional to our inspection plan	7%	3.9% (6.6%)

One of the key ways we can encourage a service to improve is by making a requirement, which sets out clearly what must change, and by when. At each inspection, or earlier in certain circumstances, we consider all of the outstanding requirements and follow up any that have not been met. Inspection reports include requirements we have made at or since the previous inspection (including those made following a complaint investigation),

and we note whether or not these had been met. Each requirement met indicates that quality has improved.

KPI 3 gives an indication of whether care services are improving by measuring the percentage of the requirements made that had been met within set timescales. In 2014/15 we found that 54% of requirements had been met within the timescales set by the Care Inspectorate and a further 9% were met outwith the timescale set. Where requirements are not met, especially where this is affecting outcomes for people using the service, we will not hesitate to take formal action to improve the quality of care including serving an improvement notice or, in extreme cases, cancelling a service's registration, or asking the sheriff to do so. At all times, the health, wellbeing and safety of people using the service is paramount.

KPI 3	Target	Performance 2014/15 (2013/14)
% of requirements met within the timescales set by the Care Inspectorate	80%	54% (62%)

(Note: there was a slightly different definition prior to September 2013, therefore performance is not directly comparable over the two years).

Communicating our findings quickly to providers is essential so that they can begin to act on our findings as soon as possible. We give verbal feedback immediately following an inspection, and aim to have a draft report to the provider within 20 days which we achieved for 80% of all reports published this year.

We have reviewed this KPI for 2015/16. The performance of services meeting requirements within timescale in an occasion depends on the timing of follow-up by inspectors and the seriousness of the improvement required. This means we may impose a requirement to improve for example, medicines management within 24 hours. Alternatively we may require improvement to a service's staff training schedule and allow a longer period to improve.

### **Enforcements**

Where a service does not make improvements as required, we can use our legal powers and take enforcement action. If necessary we can close services as a last resort. We served a total of 125 enforcement notices about the quality of care in 2014/15. This includes 92 enforcement notices we issued for outstanding PVG checks for the first time in 2014/15. The enforcement notices were issued to 118 different services. Excluding the outstanding PVG check enforcement notices issued to childminders there were 13 fewer enforcement notices served than was the case in 2013/14. (Note: These numbers exclude 'technical' enforcements which are not related to the quality of the service. Technical enforcement notices generally relate either to inactive services or where a service, usually a childminder, has moved and we cannot contact them and use our enforcement procedures to remove them

from our register.) You can find further statistical information about enforcement in Appendix 4.

### **Developing a new way of inspecting childminders**

We introduced a new format for our inspections of childminders from 1 April 2014. This approach links our inspection methodology with the SHANARRI outcomes for children which are: Safe, Healthy, Active, Nurtured, Achieving, Respected, Responsible and Included.

### **Scrutiny work with partners**

We worked in collaboration with a number of other partners over the year to maximise the impact our collective scrutiny interests, while keeping the presence of scrutiny bodies in services to a minimum. This included:

- Collaborating with Mental Welfare Commission (MWC) on inspections of the five secure care services looking at how well supported young people with mental health needs were being met. Our findings were published in a joint summary report.
- Continuing our annual programme of inspections of day care of children services that offer pre-school education with Education Scotland.
- Under the Duty of Cooperation, we supported Her Majesty's Inspectorate of Prisons with their inspections of four prisons in Scotland.

### **Strategic and locality-based inspections**

Our programme of joint inspections of children's services and adults' services has continued. These inspections examine the outcomes for people living in each community planning partnership area, looking at the way that the relevant statutory services and their partners work together to improve outcomes for people.

### **Joint inspection of children's services**

Our joint inspections of children's services are led by the Care Inspectorate and conducted jointly with Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland. In 2014/15, we published reports on our joint inspections of children's services in:

- Stirling
- Clackmannanshire
- Dumfries and Galloway
- East Lothian
- Highland
- North Lanarkshire
- South Lanarkshire
- Aberdeen City

Our reports on these inspections are available on our website.

The fieldwork for our inspections of Renfrewshire and Shetland was well underway by the end of the year, and we had started our inspections of Aberdeenshire and Western Isles.

We returned to Dumfries and Galloway in December 2014 to check on progress made on the key recommendations we made at our inspection in 2013/14, and will publish a report on our findings early in 2015/16.

### **Joint inspection of adult services**

Working with Healthcare Improvement Scotland, we published reports on our joint inspections of services for older people in

- Moray
- Aberdeenshire
- Angus
- Fife

Our reports on these inspections are available on our website.

In addition we undertook inspections of Falkirk, Glasgow City, Shetland and Highland before the end of the year, and the remaining reports will become available in 2015/16. Preparations for our inspections of Argyll and Bute and the Western Isles were underway before the end of the year.

Our two inspections of children's and older people's services in Shetland took place simultaneously and we used our learning from this coordinated approach to plan our Western Isles inspections which we started in 2014/15.

### **Criminal Justice**

Previous inspections of criminal justice social work in Scotland have consistently identified the need for improvements in assessment and case management, and in 2012 a new assessment and case planning instrument was introduced across Scotland's criminal justice social work services. In 2013/14, the Care Inspectorate and the Risk Management Authority commenced a programme of work to assess how effectively this tool had been introduced across Scotland. This work was completed in 2014/15 and the findings are published in "Improving Assessment and Case Management in Criminal Justice Social Work" which is available on our website.

Towards the end of 2014/15 we started the fieldwork phase of the national inspection of Multi-agency Public Protection Arrangements (MAPPA), which we are leading jointly with Her Majesty's Inspectorate of Constabulary in Scotland. Scrutiny work will be carried out in all community justice partnership areas in Scotland by the end of June 2015.

### **Public Protection**

In 2013, we published Child Protection Services: Findings of Joint Inspections 2009-12. This presented our findings from a three-year programme of scrutinising child protection procedures in each part of Scotland. Scottish Ministers then asked us to update them on the effectiveness of local arrangements for protecting people.

This year we published two reports:

- a report on the effectiveness of child protection arrangements across Scotland
- a report on the effectiveness of adult protection arrangements across Scotland.

These reports were undertaken without dedicated scrutiny activity, but drew on findings from our joint inspections and the work of our link inspectors. Both reports are available on our website.

## **Strategic objective 2: To contribute to building a rights based world class care system in Scotland**

### **Setting standards of care**

The Care Inspectorate is a member of the Project Board established by the Scottish Government to oversee the development of new National Care Standards, and we seconded a member of staff to the Scottish Government to work on this project. The Scottish Government published their report about the consultation on the future of the National Care Standards in January 2015. It recommended a key role for the Care Inspectorate and Healthcare Improvement Scotland to draft new national health and care standards, and we will collaborate with HIS and a wide range of stakeholders to take forward this work during 2015/16.

### **Effective registration**

We aim to be an efficient and effective regulator for entry to the care sector – permitting only those services fit to deliver high quality of care to operate. At the same time, the legislation can make it difficult for us to effectively register some of the more innovative and flexible models of care. We have started discussions about possible changes to allow us to respond to innovation in care delivery and better support integrated health and social care. Following a review of our registration process, we introduced a 'Two Stage' registration process on 1 May 2014. This means that there is more effective communication from us and tighter timescales for applicants to return information.

### **Informing policy development**

The implementation of the Children and Young People (Scotland) Act 2014 has had a significant impact of the nature of early learning and childcare provision in Scotland. The Care Inspectorate has worked in partnership with the Scottish Government to develop the vision and architecture to overcome the traditional divide between 'education' and 'childcare' provision to create a more holistic and integrated system of early learning and childcare for the benefit of both children and their parents. For example, we were closely involved in developing the statutory guidance for local authorities, which accompanies the Act, and the National Practice Guidance on Early Learning and Childcare: Building the Ambition. As the key statutory agency with comprehensive oversight of the complex range of current registered provision, we will be instrumental in promoting, monitoring and reporting on how the new

model is implemented in practice. We completed a large number of variations to registrations this year to enable services to provide the expected 600 hours of early learning and childcare. We have continued to publish our “Early Learning and Childcare” statistical publication, which is the key source of statistical information on this topic in Scotland, and we are working with Scottish Government and other agencies to develop this publication in line with the significant changes in the sector.

### **Developing our methodology**

We have begun a major review of our scrutiny and improvement methodology to support a greater emphasis on outcomes, align with emerging policy, ensure our inspection can support both public assurance and improvement where necessary, and is proportionate, risk-based and responsive. We will make further changes during 2015/16 in consultation with our stakeholders.

### **Working in partnership**

During the year, we worked extensively with scrutiny partners in many ways:

- inspecting jointly at service, partnership and locality levels;
- producing joint reports;
- collaborating on new methodologies;
- participating in cross scrutiny body coordination, planning and scheduling work to reduce the overall impact of scrutiny; and
- sharing information to reduce duplication and enhance intelligence about the sector.

We worked with Healthcare Improvement Scotland (HIS) to develop integrated care and health assessments, which we used to prioritise community planning / health and care partnership areas that will be inspected this year as part of the strategic inspection programme. This ensured that our decisions were based on the most up to date information and intelligence held by all the relevant scrutiny bodies.

We continued to inspect services that provide early education as part of an integrated inspection team along with Education Scotland. We worked with Education Scotland to carry out our joint inspections of services for children, and developed our joint inspection approaches for secure care, special school care and independent boarding schools.

Alongside Police Scotland and key stakeholders, including Scottish Government, we developed a national partnership agreement for looked after missing children in Scotland. This protocol addresses the risk to missing children, including risk of child sexual exploitation, and agrees systems to be in place to address the welfare of children in an attempt to reduce frequency. The agreement includes highlighting the responsibility and action required of care home providers and foster carers when children are missing.

In August 2014, the Care Inspectorate joined the National Delayed Discharges Task Force, which was convened by the Joint Improvement Team and Scottish Government with national partners. The purpose of the Task Force was to support activity across all partnership areas to address the

issues associated with delayed discharge. Our work to support this to date has included: supporting improvement in care services where the quality of care is a significant concern; proactively sharing intelligence; co-ordinating improvement activity; responding promptly to requests to vary registration conditions or fast-track new registrations; and exploring further opportunities for more effective joint working.

We have Memoranda of Understanding (MOUs) in place with a range of other bodies including:

- Institute for Research and Innovation in Social Services
- Scottish Social Services Council
- Scottish Charity Regulator
- Mental Welfare Commission
- Health & Safety Executive
- Office of the Public Guardian
- Scottish Housing Regulator

We worked in partnership with the Scottish Government and NHS 24 to support the redevelopment of Care Information Scotland.

**Strategic objective 3: To support people's understanding of high quality, safe and compassionate care by promoting standards and quality of service they should expect and make sure their voices are heard.**

We believe that one of the key ways of making meaningful improvements to social work and social care is by involving people who have direct experience of using social work or social care services. We expect services to involve people, and we have made significant steps to ensure that we also involve people in our own work.

### **Involving people in services and in our work**

When we inspect a service, we look at how it involves the people who use it, and their relatives and carers, in all aspects of the service. We found that 65% of services were very good or excellent in how they involve people – an increase from 61% last year.

We involve people who use services in our own work in many ways. We have Board Members who have experience of using care services, either directly or as a relative or carer. Our strategic inspections of children's and adults' services, which look at outcomes for people across a whole local authority area, include consultation with people who use services and carers.

Our inspections of regulated care services involve consulting with and speaking to people who use care services. This is done in a number of ways including face to face, by 'phone and through the use of questionnaires. In addition, we involve people with experience of using care services as part of an inspection team. Our inspection volunteers have experience of care, or looking after someone receiving care. They accompany inspectors to care services and speak to people using the care service.

By the end of 2014/15 the Care Inspectorate had 68 inspection volunteers, an increase from 55 in 2013/14. Over the year, inspection volunteers supported 593 inspections (7.6% of all inspections carried out) and spoke with a total of 4,364 service users and 1,342 relatives, carers and friends.

The majority of inspections involving inspection volunteers in 2014/15 were in care home services (64%). 28% were inspections of early years services, and a further 8% were in inspections of Housing Support services and Support Services. Inspection Volunteers are in demand - we could not meet all of the requests for an inspection volunteer to support an inspection and we have been actively recruiting inspection volunteers to meet this demand. By the end of 2014/15 there were 25 inspection volunteers in the recruitment process.

The following are some of the developments in how we involve people that have taken place over the course of the year.

Our involved people informed our major review of our methodologies this year, and they will continue to inform this work over the coming years.

We held a joint conference for our involved people and HIS' public partners. This allowed participants to explore and compare the role of user voice in care services and in health services.

### **Involving Children and Young People**

It is important to us to have meaningful consultation with children, young people and their carers. This year, in one residential special school for young people with additional needs, we used interpreters to help us do this. We need to continue to look at new ways to obtain the views of service users and their carers, for example through better use of technology and inspection volunteers for young people's services.

We worked with the support organisation 'Move On' to strengthen our pool of young inspection volunteers. During 2014/15 we provided training for young people who will become part of our joint inspection teams for the 2015-16 programme, replacing three young people who have been enabled to move on to employment or full time training opportunities.

### **Promoting our work**

In order for people to be able to work with us to make a difference to care in Scotland, we need to make sure that people know about us, and what we do. We have promoted our work throughout the year by speaking and exhibiting at a range of external conferences as well as organising some of our own events on a number of topics including involvement, equalities and dementia care.

### **Care Opinion**

We have worked closely with colleagues from Care Opinion to support the platform, which allows people to share their experiences about care services and use that to provide feedback to providers. We supply data to Care Opinion and will act as a public interest body for the receipt of certain information from them.

**Strategic objective 4: To build capacity within care services to make sure there is high quality development and improvement of rights based care across Scotland**

**Quality Improvement**

Our Board approved our Quality Improvement Strategy towards the end of the year, and we will begin to deliver the associated action plan in 2015/16.

**Improving links with partnerships**

Our link inspectors have worked this year to engage with community planning partners to promote and support self-evaluation using either our own quality indicator framework or another recognised self-evaluation tool. We have recently been invited to work with the West of Scotland Child Protection Committee Chairs Forum to help them develop and conduct self-evaluation around outcomes for children.

**Engaging with providers**

This year, we established Quality Conversations – a forum for providers and senior Care Inspectorate staff to share ideas and developments in the sector. We set up a High Level Advisory Group on Care scrutiny as part of our development of new methodologies, and we hold director-level bilateral meetings with key provider umbrella bodies.

**Improving capacity – physical exercise and dementia care**

We completed the roll out of Make Every Move Count, a resource pack to support care homes for older people help residents become more active. We held a large dementia conference for 250 providers of services to support effective practice in the field. Overall 89% of the people who attended the dementia event stated they wanted to improve the service that they provide.

**Good practice – The Hub**

Our scrutiny work is focussed on encouraging improvement across the sector. Towards the end of 2013/14 we launched The Hub, an online resource available to Care Inspectorate staff and external stakeholders. The Hub provides ‘one-stop-shop’ access to a range of resources aimed at supporting improvement in the social care and social work sectors through the use and sharing of intelligence and research-led practice, including:

- a library of good practice guidance
- information on the latest developments in policy and legislation
- video-based examples of innovative practice
- guidance to help users carry out their own research
- toolkits and resources aimed at supporting improvement.

The Hub supports a number of the Care Inspectorate's purposes, including by:

- acting as a catalyst for change and innovation
- supporting improvement and signposting good practice.

We made significant enhancements to the Hub over the course of 2014/15, including the creation of an online “my account” facility. This allows logged-in users to create customised pages to quickly display documents and links which they have selected as being important to them. By the end of the year we had over 16,600 users making use of this facility.

Inspectors regularly signpost managers and providers to our website and The Hub for guidance and examples of good practice. Inspections are more focused on good practice, outcomes for service users and the need for continuous reflection and improvement based on new best practice guidance and legislation.

### **Strategic objective 5: To support and inform local and national policy development by providing high quality, evidence based advice and information on care**

We inform policy development in a number of ways. Some significant developments in this area over the course of 2014/15 are noted below.

#### **Sharing intelligence**

We have set up and contributed to a number of intelligence sharing initiatives over the course of the year. We established a format and process for sharing intelligence with Health Improvement Scotland to assist our joint prioritisation of areas for joint inspection over the coming years. This process will continue into 2015/16.

We have engaged with Health Improvement Scotland’s Sharing Intelligence for Health and Social Care Group which is developing an approach to sharing intelligence with key partners across health and social care. This work is in its early stages, but already has seen us sharing some intelligence we hold at community healthcare partnership/local authority level.

As outlined earlier, we have worked in a number of ways to support a national drive to reduce the number of people delayed in hospitals. This includes practical support such as working with others to improve quality of care services and ensure we react quickly to new registration and variation applications. We have also used a wide range of internal and external information to draw up intelligence profiles of areas of particular concern, which in turn have informed understanding of some of the issues, and in time, hopefully some of the solutions.

The Director of Strategic Development/Depute Chief Executive chaired part of the European Social Network conference on Health and Social Planning. This enabled member state partners to share research and practice on integrated health and social care.

#### **Sharing evidence based practice, research and innovation**

We are continuously expanding the range of content available on The Hub (see further details above) and our website to ensure that we are sharing evidence based practice, research and innovation around the sector.

## Sharing information

We recognise that, as a by-product of our core scrutiny functions, we collect a range of unique information about social care in Scotland. Interest in our information is apparent from the volume of information requests we deal with each year, which continues to increase over time.

During 2014/15 we dealt with:

- 250 freedom of information requests, of which 222 were sent out within the statutory 20 day deadline
- 97 data protection requests, of which 90 were sent out within the statutory 40 day deadline
- 89 parliamentary questions
- 67 Scottish Government requests.

We make a great deal of information available on our website, including detailed information about every registered care service in Scotland such as their current and previous grades, any complaints or enforcements, and copies of all inspection reports we have finalised.

We have regular information sharing arrangements in place with an extensive range of other bodies, including public bodies such as Scottish Government; SSSC; Local Authorities; Public Health & Intelligence Scotland.

We produce a range of publications each year, including factual statistics as well as analyses of emerging themes, trends and areas of concern across health and care. In 2014/15 this included:

- Up and about in care homes managing falls and fractures for older people: DVD education resource
- Summary of findings of work between Care Inspectorate and MWC - children's services
- Code of practice for the review of Significant Case Reviews of children and young people in Scotland.
- Improving Assessment & Care Management in Criminal Justice Social Work
- Care for Older People at Home
- Equality Outcomes and Mainstreaming Report 2015-17
- Equality Outcomes, Mainstreaming Report and Action Plan Review 2013-15
- Improving assessment and case management in criminal justice social work
- A report on the effectiveness of child protection arrangements across Scotland
- Seasonal influenza, pneumococcal and shingles vaccination programmes in residential care services - 2014 to 2015
- Early Learning and Childcare Statistics 2013
- Corporate Plan 2015-2018
- Care Inspectorate summary of Winterbourne View Review findings and recommendations - April 2014

## **Contributing to national research**

In June 2014 the Scottish Government published Growing Up in Scotland: Characteristics of pre-school provision and their association with children's outcomes.

This report combines data from the Growing Up in Scotland (GUS) research project with data provided by the Care Inspectorate and Education Scotland 'to provide a detailed understanding of the characteristics of pre-school provision in Scotland and how it is experienced by children who live in different areas and who have different social background characteristics'. The Care Inspectorate has been involved in sharing data to support this research over the past three years.

The report links higher grading for 'care and support' with better vocabulary ability at age five and among its conclusions states that 'it appears that attending high quality pre-school provision will benefit children in terms of their academic ability which may, in turn, help reduce known socio-economic inequalities in this and other developmental outcomes'.

## **Strategic objective 6: To perform effectively and efficiently as an independent scrutiny and improvement body and work in partnership with others**

The Care Inspectorate has a budget of £35.599 million. Over the course of the year we:

- had just under 14,000 care services on care service list of registered services
- completed 7,818 care service inspections
- received 4,505 complaints
- registered 988 new services
- approved 3,939 variations
- cancelled 1078 services from the care service list
- took enforcement action against 125 services
- inspected children's services across six local authority areas
- inspected older people's services across six local authority areas
- responded to over 500 external information requests
- received 23,846 calls to our National Enquiry Line
- developed working relationships with a wide range of other organisations including close working partnerships with other scrutiny bodies, in particular Health Improvement Scotland, Education Scotland and Audit Scotland.

This section provides further insight into how efficiently and effectively we have delivered our work, through developing our workforce, managing our finances, our scrutiny work, sharing and publishing information and our work with other scrutiny bodies and partners. You will find a range of statistical information about the services we regulate in Appendix 4.

### **Financial efficiencies**

While the Scottish Government has not set a specific, formal efficiency target, the Cabinet Secretary has stated that public bodies are expected to deliver annual operational efficiency savings of at least 3%. We achieved 4.0% efficiency savings, well above the target of 3%.

<b>KPI 4</b>	<b>Target</b>	<b>Performance 2014/15 (2013/14)</b>
% of efficiency savings achieved	3.0%	4.0% (4.7%)

### **Efficiency of our processes**

We are continually exploring ways to make our processes more efficient. The following illustrate some examples of how we have built efficiencies into our key processes.

Each year we receive thousands of calls, mainly general enquiries, complaints and registration enquiries. We have a small team called the National Enquiry Line (the NEL) who take these calls. In 2014/15 they took 23,846 calls, up 5% on the previous year. Our NEL team dealt with 82% of these calls without having to pass them on to a duty inspector – freeing up our frontline operational staff to carry on inspecting, registering and investigating complaints.

We have reviewed how we use the available intelligence about care (from internal and external sources) to try to make our work more efficient as well as targeted and proportionate. This year, we provided inspectors with a new tool to help them assess the notifications that come in from services, and we revised the tool that summarises our annual returns. This means that our inspectors spend less time looking at paperwork, and more time focussing on services and the people who use them.

We expanded the use of our performance management system so that all of our staff can view relevant monthly performance information at individual team level, and we introduced a new tool to help our inspection team managers better understand the capacity of their team in order to plan and prioritise their inspection caseloads.

Following a successful pilot, we rolled out electronic tablets for our inspectors to access our operational systems, for example to enable them to record information directly into our systems rather than keeping written notes.

### **Complaints about the Care Inspectorate**

In 2014/15 we received 69 complaints about the Care Inspectorate. We completed investigations into 28 complaints about the Care Inspectorate, some of which were complaints received in 2013/14. Of the 28 complaint investigations completed, 14 (50%) were upheld. From 1 April 2014, we set a target of completing investigations into complaints about us within 20 working days. Of the 20 complaints that we received after this date, and that we completed within the year, 6 (30%) were completed within 20 working days.

KPI 5	Target	Performance 2014/15 (2013/14)
% complaints investigated about the Care Inspectorate that were completed within 20 working days	100%	30% (new KPI timescales set, therefore no comparable data)

### Complaints about registered care services

We received 4,505 complaints between 1 April 2014 and 31 March 2015. This is an increase of 19% on the 3,788 complaints we received over the same period in 2013/14. We formally registered 2,037 complaints, and completed 1,564 complaints investigations between April 2014 and March 2015. This includes complaints we received in 2013/14 but completed in 2014/15. You will find more detailed statistical information about complaints in Appendix 4.

We dealt efficiently with complaints about care services. During 2014/15, 98% of complaints about care services were acknowledged within three days, which is the same level as last year. Of the complaints that we formally registered in 2014/15, 46% were registered within 12 working days, a drop from last year, and short of our target of 60%. We completed 78% of investigations within 40 working days.

The top five specific reasons for complaints from April 2014 – March 2015 were:

1. general health and welfare
2. communication between staff and people using services/relatives/carers
3. staff levels
4. healthcare – medication issues
5. policies and procedures – complaints procedure

### Registering care services

At 31 March 2015 there were 13,982 registered care services. This is 90 (0.6%) fewer than the 14,072 registered services at 31 March 2014. By 31 March 2015 we had completed 988 new registrations, 8 fewer (0.8%) than last year. Of these, the majority - 612 (62%) - were childminders. We dealt efficiently with registrations, exceeding our target of 80% as follows:

- 82% of childminding registrations completed within three months
- 92% of registrations of other service types completed within six months
- Overall 86% completed within timescales.

Over the year to 31 March 2015, 1,078 services had cancelled their registration or had had their registration cancelled by the Care Inspectorate.

In addition to registering and cancelling services, we make variations to their conditions of registration. The volume of work associated with variations

depends on their nature and complexity. This year, we dealt with a large number of variations from children's services in order for them to provide the expected 600 hours of early learning and childcare set out in the Children and Young People (Scotland) Act 2014. By 31 March 2015 we had completed 3,939 variations, an increase of 45% on the 2,714 in 2013/14. You will find more detailed statistical information about registrations and cancellations in Appendix 4.

<b>KPI 6</b>	<b>Target</b>	<b>Performance 2014/15 (2013/14)</b>
Efficiency measure: % of registration and complaints activities completed within specific timescales		
complaints about care services acknowledged within 3 days	100%	98% (98%)
complaints about care services registered within 12 days	60%	46% (50%)
complaints about care services completed within 40 days	100%	78% (new KPI)
registrations completed within 3 months for childminders	85%	82% (93%)
6 months for other care services	85%	92% (90%)

## **1.4 Principal risks and uncertainties**

Every year, as part of our corporate planning process, we consider the major risks that might prevent us from achieving our objectives, and look at how we can reduce these risks. On an annual basis, the Board compiles a risk register to examine the major risks facing the Care Inspectorate.

The risk register details each major risk that has been identified, the likelihood of it occurring and the scale of impact were it do to so. The register then identifies specific objectives deriving from the corporate plan that may help to mitigate the impact on the Care Inspectorate were any or all of the risks to materialise. Each risk is scored in its raw state and re-assessed after consideration of mitigating factors. This facilitates a clearer understanding of where executive and management level scrutiny and preventative measures need to be focused.

In addition, the consideration of risk is a standing item at each Audit Committee.

## **1.5 Stakeholder relationships**

Our stakeholders are people and groups who are affected by, or have an interest in, what we do – including our staff.

### **People who use services and their carers**

Our Involvement Plan sets out how we seek to involve people who use care services and their carers in our work. Our Involved People Group allows people who use services, and their carers, to discuss issues relating to care and support services, and the Care Inspectorate's approach. People who use services and their carers have influenced the style of our inspection reports, contributed to inspector training, informed the development of questionnaires used at inspections, and supported our complaints procedures.

Inspection volunteers – who have experience of care services – accompany our inspectors in a proportion of regulated care services. They talk to people who use the service, and their carers, and make observations based on their own personal experience. During 2014/15, we continued our efforts to build on our recruitment programme for inspection volunteers; this was in order to support a desired increase in the number of inspections involving an inspection volunteer.

### **Providers of care services**

We regularly communicate and engage with people who provide care services. This includes direct communication through inspectors, a series of contact managers for larger providers with multiple services, and the use of our e-forms system for direct communication between the Care Inspectorate and staff in services. Relevant information for professionals is uploaded to our website. Printed materials used to engage with providers of care services in 2014/15 include Care News and occasional direct printed materials on corporate issues involving the Care Inspectorate or practice materials for staff in care services. An example of this is our Excellence in Care booklet, to explain the rationale for new changes to the way in which we inspect. We marked the first anniversary of The Hub, an increasingly popular online resource that shares knowledge, effective practice and which showcased innovation and improvement in the sectors in which we operate.

### **Members of the public**

Our Public Reporting Strategy sets out how we seek to report publicly on our findings. This includes the publication of all our inspection reports and associated materials on our website, liaison with the media, and answering queries from members of the public. In 2014/15, we continued to build on the work we do with the media and reviewed our approach of proactively alerting the public, through the media, when services perform very well or very poorly.

### **The Scottish Government**

We are accountable to Scottish Ministers through our sponsor team in the Scottish Government's Directorate of Health and Social Care Integration. Our sponsor sets out, in a Management Statement and Financial Memorandum, the operating, planning and financial framework within which we work. Our corporate plan and inspection plan is approved by Scottish Ministers. Work

has been undertaken to replace the Management Statement and Financial Memorandum with an NDPB model framework agreement. We held a joint development session between senior staff in the Care Inspectorate and officials in our sponsor branch to explore emerging policy and practice issues, and hold regular update meetings.

### **Members of the Scottish Parliament and Members of Parliament**

Elected members of both parliaments take an interest in our policy approach and in our findings. Where appropriate, we provide evidence to parliamentary committees, respond to parliamentary consultations, and ensure elected members are kept apprised of our work.

### **Our employees**

As at 31 March 2015, we employed 619 staff. The majority of our staff – around 85% – are directly concerned with scrutiny, inspection and regulation on a daily basis. The remainder provide business and support services, such as legal advice, finance and information technology. We work closely with staff to develop the organisation and continue to improve our effectiveness as a scrutiny and improvement body. We have a range of progressive policies, including flexible working arrangements and homeworking. All our policies are designed to provide a safe and positive working culture for our employees, with appropriate policies on health and safety, lone working, driving and manual handling. We operate a comprehensive risk assessment process across all teams. In 2014/15 our Organisational Development department continued a structured process of reviewing staff policies and procedures to ensure they remain up-to-date and reflect best practice. A new Internal Communications and Engagement Strategy was agreed, which set out four high-level principles of internal communication and a change programme for improvement. A joint employer – trade union staff survey was commissioned by the Partnership Forum and its recommendations jointly presented to our staff across our offices.

The table below details the gender breakdown of Care Inspectorate staff as at 31 March 2015.

<b>Role</b>	<b>Male Headcount</b>	<b>Female Headcount</b>
Chief Executive	0	1
Directors	2	1
Senior Managers	6	12
Employees	109	488
<b>All staff</b>	<b>117</b>	<b>502</b>

**Other scrutiny bodies**

We work closely with other scrutiny bodies and have a duty of co-operation arising from the Public Services Reform (Scotland) Act 2010. We carry out joint inspections with Education Scotland, Her Majesty's Inspectorate of Constabulary in Scotland and HIS. Our Chair sits on the boards of HIS and the Scottish Social Services Council; reciprocal arrangements exist for their chairs to sit on our Board. We work closely with the Mental Welfare Commission (Scotland) and reviewed our memoranda of understanding with other partners, including the new police and fire services.

Our staff participate widely in external groups and committees, and we pursue secondments with partner bodies when they are mutually beneficial.

We continue to forge effective relationships with sister scrutiny partners in other parts of the UK, including the Regulation and Quality Improvement Authority (RQIA) in Northern Ireland, the Care and Social Services Inspectorate Wales (CSSIW), and the Care Quality Commission (CQC) in England.

## **1.6 Equality and diversity**

We strive to be consistent, responsive, fair and accessible to everyone who comes into contact with us. Treating people fairly is fundamental to our approach as an employer and a scrutiny body. We consider whether to undertake equality impact assessments on all our policies and procedures, and do so where necessary.

We have an equal opportunities-in-employment policy, which promotes equality of opportunity in recruitment, learning and career advancement.

We use our policies and practices to guard against anyone suffering discrimination, directly or indirectly, because of their race, disability, gender, age, sexual orientation, gender reassignment, religion or belief. This approach is in line with our values and we work in partnership with our staff trade unions to develop and review such policies.

We strive to be consistent, responsive, fair and accessible to everyone who comes into contact with us. Treating people fairly is fundamental to our approach as an employer and a scrutiny body. We undertake equality impact assessments on our policies and procedures to ensure that they eliminate discrimination, advance equality of opportunity and foster good relations between different groups wherever possible. This approach is in line with our values and we work in partnership with our staff trade unions to develop and review such policies.

In 2014/15 we undertook work to review and re-develop our existing equality outcomes and approach to advancing equality across the organisation through extensive engagement with service users, our staff and national equality groups representing all of the protected characteristics. From this work we have developed new Equality Outcomes, which will be met through the implementation of a new equality action plan which will be launched in the next financial year.

In October 2014 we published a new Equality and Diversity Policy which sets out how we seek to advance equality and eliminate discrimination when using our key employment processes. A key part of our work on equalities this year has been in delivering equality and diversity training to all employees of the Care Inspectorate. This work will continue into the next financial year where we will be delivering training and information sessions to our employees on particular equality issues in conjunction with specialist organisations.

We continue to value the experience and diversity of our workforce and the contribution they make to our work around equalities and health and wellbeing, through working groups including the Equality Implementation Group, Healthy Working Lives Group and the Policy Review Group.

## 1.7 Financial review – current and future

### Funding

Scottish Ministers agreed our 2014/15 budget as £34.034m. We have assumed that our funding and budget will remain broadly stable for the remaining two years of our current Corporate Plan period of 2015–18. We have an annual efficiency target of 3%. The efficiencies that we identify are re-invested in activities that improve protection for people who use care and social work services.

For 2014/15, we have identified quantifiable efficiencies of £1.4m (4.0% of approved budget). These efficiencies were used to:

- absorb cost increases such as incremental pay progression, a cost of living award for staff earning less than £22,000 per annum and general inflationary cost increases
- increase resources supporting improvement in high risk and poorer performing services
- provide resources to respond to work load peaks in complaints, registration and enforcement work areas
- bring forward planned developments from future financial years.

Our budget is funded mainly by a mixture of grant-in-aid from the Scottish Government and fees paid by service providers. (Grant-in-aid means the Scottish Government provides funding but without imposing day-to-day control over how we spend it). In managing our finances, we are not allowed to use overdraft facilities or to borrow.

The Scottish Government sets the maximum fees the Care Inspectorate may charge. Changes to maximum fee rates require a public consultation exercise. The maximum fees charged to care service providers have not increased since the 2005/06 financial year.

### Financial position

We prepare our annual accounts in accordance with the Accounts Direction issued by Scottish Ministers. The Accounts Direction (reproduced at Appendix 1) requires compliance with the Government Financial Reporting Manual (FRoM). We are funded by grants and grant-in-aid received from the Scottish Government. Our funding and budgeting position is different from the accounting financial position as shown in the Statement of Comprehensive Net Expenditure (SCNE) for three reasons.

1. For budgeting purposes we consider grants and grant-in-aid to be income. The accounting position must present grants and grants-in-aid as sources of funds and are credited to the general reserve on the Statement of Financial Position.
2. Post employment benefits (pensions) must be accounted for using International Accounting Standard 19 “Employee Benefits” (IAS 19). IAS 19 requires accounting entries for pensions to be based on actuarial

pension expense calculations. Our funding position is based on the cash pension contributions we make as an employer to the pension scheme.

- Grant-in-aid used for the purchase of non-current assets is credited to the general reserve and the balance is reduced by the amount of depreciation charged each year. The current year depreciation charge is £241k.

The table below reconciles the deficit shown on the Statement of Comprehensive Net Expenditure (SCNE) to the small surplus recognised for funding and budgeting purposes.

	<b>Ref</b>	<b>£000</b>
Deficit per the SCNE	SCNE	3,150
Funding from grants and grant-in-aid	Note 15	(22,201)
Reverse IAS 19 pension accounting adjustments	Note 5b	19,254
To fund depreciation and asset disposals	Note 6	(241)
<b>(Surplus)/Deficit on funding and budgeting basis</b>		<b>(38)</b>

	<b>Budget £000</b>	<b>Actual £000</b>	<b>Variance £000</b>
<b>Operating income</b>			
Fee income	(11,876)	(11,882)	(6)
Other income	(1,291)	(1,510)	(219)
<b>Total operating income</b>	<b>(13,167)</b>	<b>(13,392)</b>	<b>(225)</b>
<b>Operating expenditure</b>			
Staff costs*	27,693	27,539	(154)
Other operating expenditure	7,910	8,251	341
<b>Total operating expenditure</b>	<b>35,603</b>	<b>35,790</b>	<b>187</b>
<b>Net Bank Charges/(Interest)</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>Net revenue expenditure</b>	<b>22,442</b>	<b>22,404</b>	<b>(38)</b>
<b>Funded by:</b>			
Grants and grant-in-aid	(22,201)	(22,201)	0
Transfer from general reserve to fund depreciation	(241)	(241)	0
<b>Total revenue funding</b>	<b>(22,442)</b>	<b>(22,442)</b>	<b>0</b>
<b>Funding deficit/(surplus)</b>	<b>0</b>	<b>(38)</b>	<b>(38)</b>

\*Staff costs exclude the impact of actuarial adjustments for pensions.

The Care Inspectorate had a total of £22.158m grant-in-aid approved by the Scottish Government that it could access and draw down throughout the year. We drew down our full amount of grant-in-aid of £22.158m and received other grants of £0.274m. Of this, £0.231m was used to fund capital purchases. Funding for revenue purposes was £21.927m grant-in-aid and other grants of £0.274m i.e. total grant funding of £22.201m. In addition we hold £0.241m in the general reserve to fund depreciation. Therefore the total funding available for 2014/15 revenue purposes was £22.442m.

The total revenue expenditure of £22.404m is less than the available funding and therefore there was a surplus of £0.38m.

During 2014/15 we supplied finance, information and communications technology (ICT), facilities management, procurement, and reception services to the Scottish Social Services Council (SSSC). We also supplied facilities management services to the Office of the Scottish Charities Regulator (OSCR). We received income of £1.091m for these services. We also share our office space with other public sector organisations and we received income of £0.219m as a result.

### **Going concern**

The Care Inspectorate Board has no reason to believe the Scottish Government and Scottish Ministers have any intention to withdraw or reduce support to the Care Inspectorate. It is therefore appropriate to prepare the accounts on a going-concern basis.

The Statement of Financial Position as at 31 March 2015 shows net liabilities of £30.8m (2013/14: £50.1m). The net liabilities are mainly the result of actuarial assumptions adopted for the application of accounting standard IAS 19.

IAS 19 requires the liabilities and assets of the pension scheme to be valued. The pension liability represents the best estimate of the current value of pension benefits that will have to be funded by the Care Inspectorate. The liability relates to benefits earned by existing or previous Care Inspectorate employees up to 31 March 2015.

The Care Inspectorate participates in a pension fund which is the subject of an actuarial valuation every three years. This actuarial valuation is different from the valuation required by the accounting standard IAS 19. The actuarial valuation determines employer contribution rates that are designed to bring fund assets and liabilities into balance for the fund as a whole over the longer term.

Therefore the liability will be reduced through the payment of employee and employer contributions each year. Any future increases in employer contributions will require to be reflected through the grant-in-aid agreed with the sponsor department.

### **Pensions**

The Care Inspectorate is an admitted body to the Tayside Superannuation Fund. This is a local government pension scheme administered by Dundee City Council. The local government pension scheme is a defined benefit scheme that provides pension benefits based on final pensionable remuneration. There were 578 employees who were active members of the Tayside Superannuation Fund as at 31 March 2015.

Employer contribution rates have been set following actuarial valuation as follows:

<b>Year ended</b>	<b>Employer contribution rate</b>
31 March 2015	18.0%
31 March 2016	17.0%
31 March 2017	17.0%
31 March 2018	17.0%

Employee contribution rates are in the range 5.5% to 12% based on earning bands. The rates and earning bands are subject to periodic review.

As at 31 March 2015, we employed 12 people who are in the NHS pension scheme. The majority of the employees chose to remain within the NHS Scheme when they transferred to the Care Commission (one of the Care Inspectorate's predecessor bodies) in 2002. This is also a defined benefit scheme but we cannot determine our underlying share of assets and liabilities and therefore account for the NHS scheme on a defined contribution basis.

The disclosures required by accounting standard IAS 19 'Employee Benefits' are contained in Note 5 of the accounts.

### **Auditors' remuneration**

Under the Public Finance and Accountability (Scotland) Act 2000 the Auditor General for Scotland appoints the auditors of the Care Inspectorate. The Auditor General appointed David McConnell, Assistant Director, Audit Scotland for the financial years 2011/12 to 2015/16 to undertake the statutory audit of the Care Inspectorate.

The auditor's general duties, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

The cost of statutory audit for 2014/15 was £31.2k (2013/14 £30.9k).

Scott Moncrieff is appointed as the Care Inspectorate's internal auditors. The cost of internal audit for 2014/15 was £42.4k (2013/14: £33.1k).

All reports by internal and external audit are considered by the Audit Committee.

**Public Services Reform (Scotland) Act 2010**

Section 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose a duty on the Care Inspectorate to publish information on expenditure, economic stability and efficiency as soon as is reasonably practicable after the end of each financial year. The information required to comply with these disclosure requirements is not an integral part of the annual accounts and is displayed on the Care Inspectorate website at [www.careinspectorate.com](http://www.careinspectorate.com)

**Supplier payment policy**

The Care Inspectorate is committed to the Confederation of British Industry Prompt Payment Code for the payment of bills for goods and services we receive. It is our policy to make payments in accordance with the Scottish Government's instructions on prompt payment and a target of payment within ten days. We paid 96.19% (2013/14: 97.35%) of invoices within ten days.

**Events after the reporting period**

There were no events after the end of the reporting period (31 March 2015) that require disclosure.

## 1.8 Sustainability Report 2014/15

This report details the Care Inspectorate's sustainability performance for 2014-15. The format follows Scottish Government's guidance on public sector sustainability reporting to include key carbon management and other environmental sustainability aspects of how public bodies can demonstrate progress towards achieving the targets and actions set out in the Climate Change (Scotland) Act 2009 and other relevant legislation.

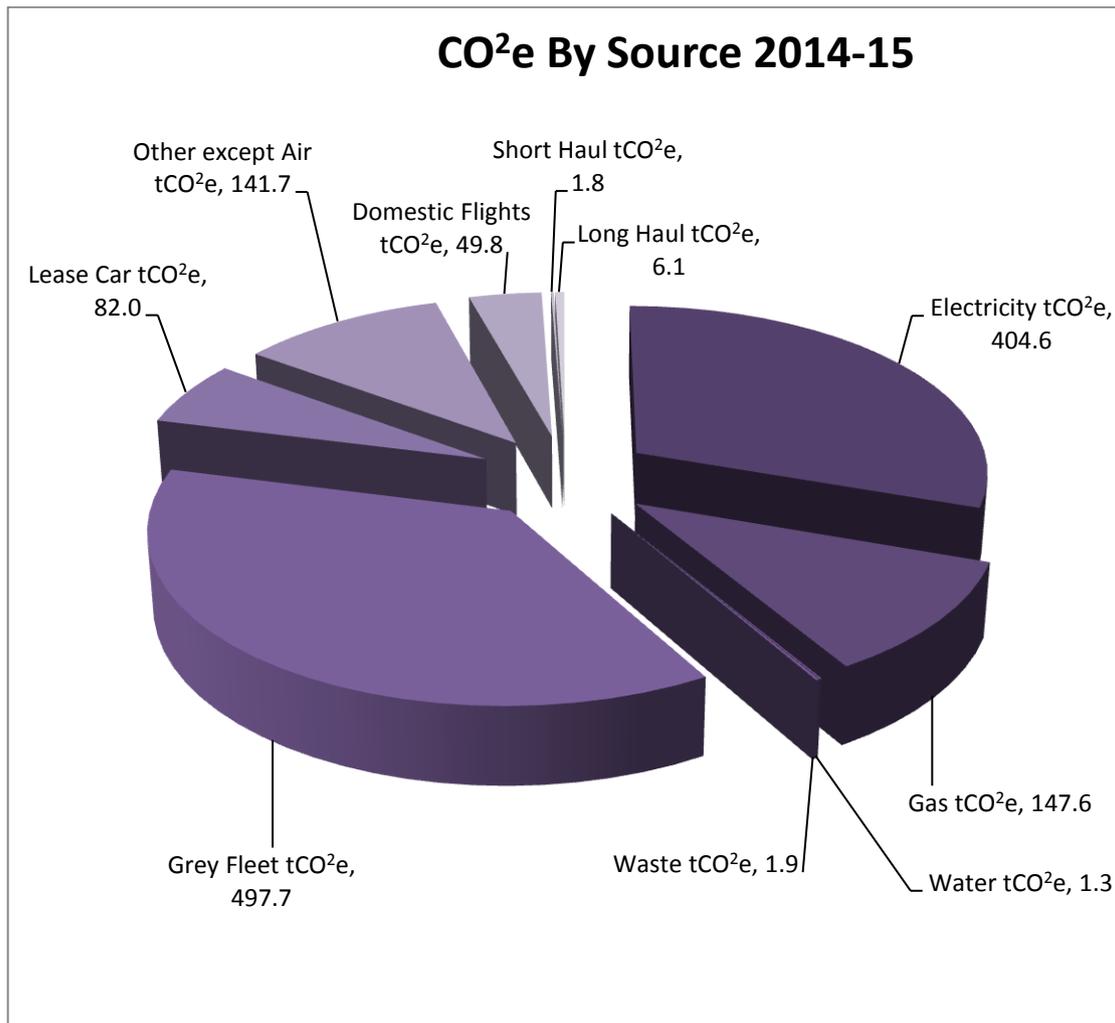
The Care Inspectorate produced its first Carbon Management Plan in 2011. The objectives of the plan are considered annually alongside the sustainability report. As a regulatory body, our core business is to inspect care and social work services throughout Scotland, leading to high travel related CO<sup>2</sup>e emissions. We also have a presence in 16 locations from as far north as Shetland to as far south as Dumfries. These properties are of varying sizes, from 30m<sup>2</sup> to 2819m<sup>2</sup> on a variety of lease terms, making control of our stationary CO<sup>2</sup>e emissions difficult.

We do not have the direct energy consumption and costs from all of our landlords so the figures for electricity, gas, water and rates are aggregated from offices for which we have accurate figures. This approach has been consistent for all years from 2011-12 onwards.

### Summary of Performance

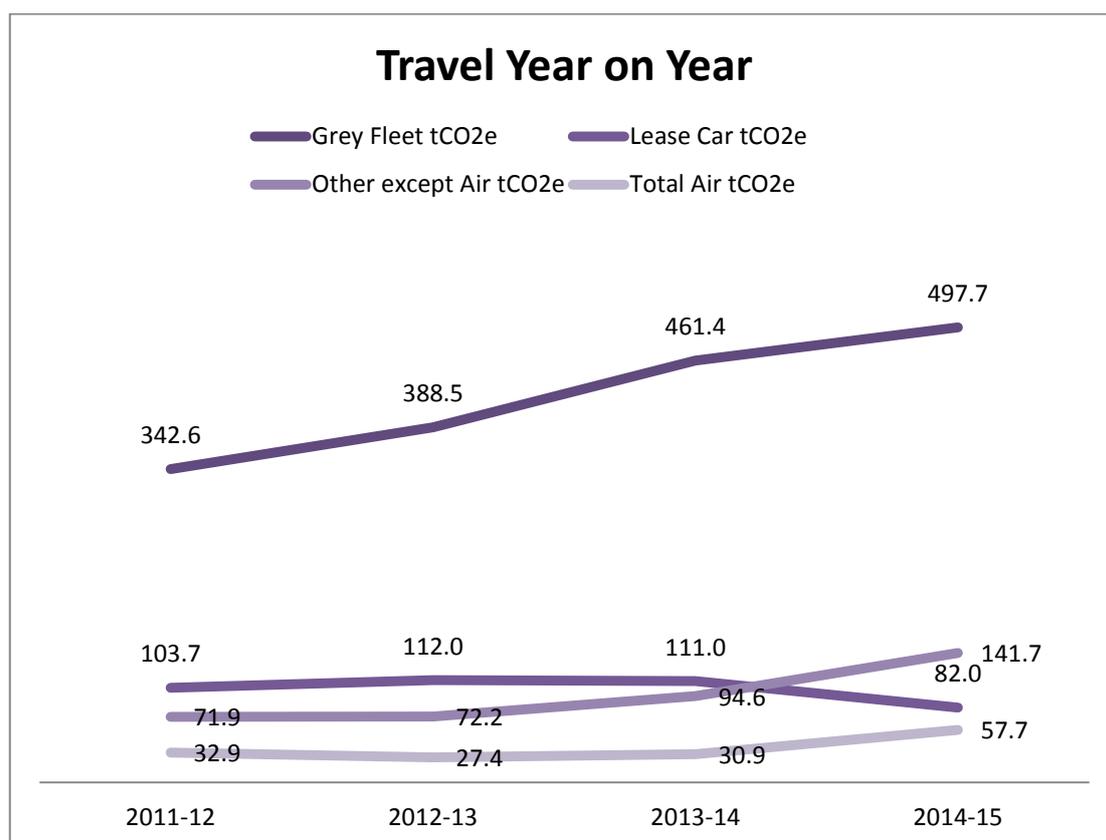
Area	Performance 2014-15	Status
Total tCO <sup>2</sup> e	Carbon emissions have increased by 12% from the 2011-12 baseline.	
Travel	Carbon emissions have increased by 43% from the 2011-12 baseline.	
Gas, Water and Electricity	Carbon emissions have decreased by 15% from the 2011-12 baseline.	
Waste and Recycling	Carbon emissions have increased by 24% from the 2011-12 baseline.	

Area	2011/12 Baseline	Actual Performance	Target Performance By 2016
Total CO <sup>2</sup> e Emissions	1,203 tCO <sup>2</sup> e	1,334 tCO <sup>2</sup> e	1,083 tCO <sup>2</sup> e
Travel Related CO <sup>2</sup> e	551 tCO <sup>2</sup> e	779 tCO <sup>2</sup> e	496 tCO <sup>2</sup> e
Total Travel Cost		£991,505	-
Total Energy CO <sup>2</sup> e	646 tCO <sup>2</sup> e	552 tCO <sup>2</sup> e	581 tCO <sup>2</sup> e
Energy Consumption (gas & electricity)	-	1,624 MWh	-
Energy Expenditure (gas & electricity)	-	£144,155	-
Total Waste CO <sup>2</sup> e	1.1 tCO <sup>2</sup> e	1.9 tCO <sup>2</sup> e	0.99 tCO <sup>2</sup> e
Waste	-	90 tonnes	-
Waste Expenditure	-	£19,622	-
Total Water CO <sup>2</sup> e	4.6 tCO <sup>2</sup> e	1.3 tCO <sup>2</sup> e	4.1 tCO <sup>2</sup> e
Water consumption	-	3,695 m <sup>3</sup>	-
Water expenditure	-	£36,216	-



## Travel Analysis

Travel				
Year	Grey Fleet tCO <sup>2</sup> e	Lease Car tCO <sup>2</sup> e	Other except Air tCO <sup>2</sup> e	Flights tCO <sup>2</sup> e
2011-12	342.6	103.7	71.9	32.9
2012-13	388.5	112.0	72.2	27.4
2013-14	461.4	111.0	94.6	30.9
2014-15	497.7	82.0	141.7	57.7



### Performance Commentary

Grey Fleet is private car use and although this has increased this year, it has been largely offset by a reduction on lease car tCO<sup>2</sup>e. Overall, car travel has seen a minor increase of 1%. 'Other' includes trains, ferries, buses and taxis, with a noticeable rise of 50% from last year. Overall there has been an increase in travel emissions of 43% from the baseline. This increase is the main reason we have not made progress towards reducing our tCO<sup>2</sup>e target of 1,083 tCO<sup>2</sup>e by 2016.

### Direct Impact Commentary

The steadying of the car travel reflects that the increase in relation to the

change to the inspection methodology (national, specialist teams) have plateaued and should give us a baseline for future years. However, the CO<sup>2</sup>e figures used to calculate our vehicle emissions are based on average vehicles. We will be looking at methods to capture the actual g/km of each vehicle used for business to get a more accurate calculation of our tCO<sup>2</sup>e.

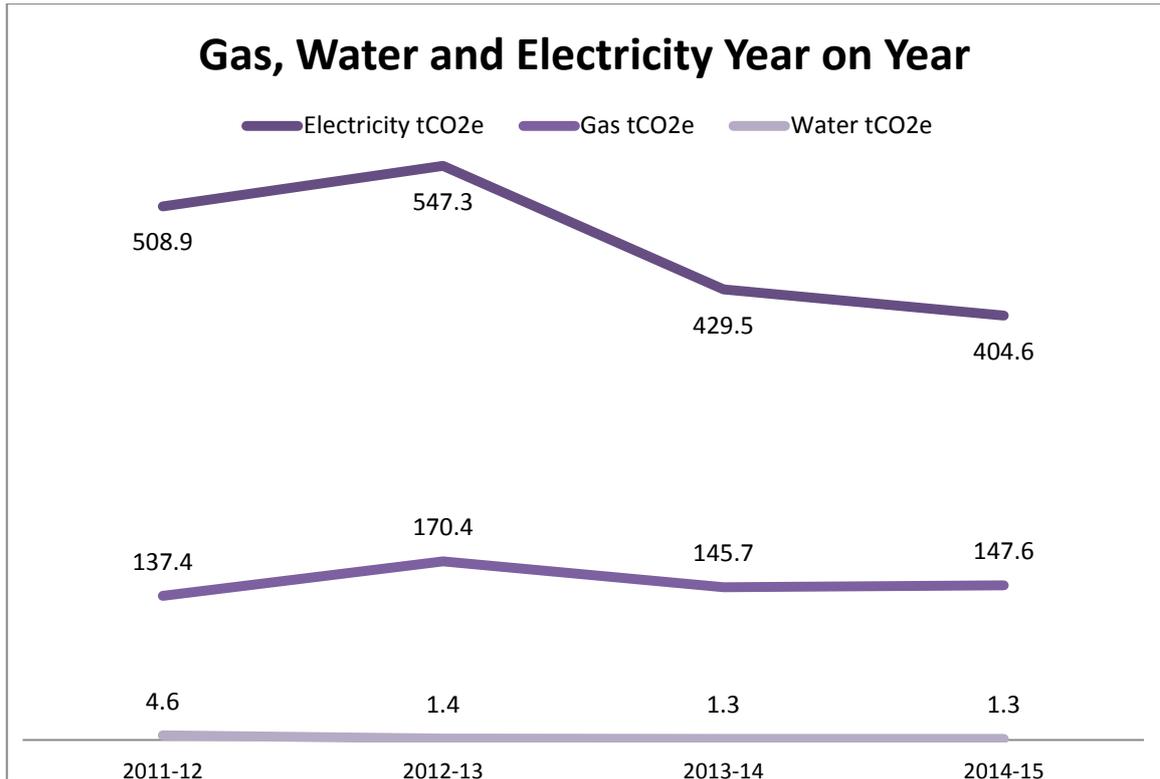
Our published business travel and subsistence policy details our preferred methods of business travel. This states that employees must consider the most efficient and cost effective way of meeting objectives. We have encouraged this by actively encouraging alternative means of participating at meetings by using telephone and video conferencing facilities. Where travel is necessary, employees must consider the environmental impact when deciding how to travel.

The increase in 'other' travel is directly attributable to improvements in our management information systems. We are now able to report on the detail of the journey type undertaken for travel claims via Pulse (our HR & payroll management information system). Air travel has continued to increase this year which can be attributed to international flights to support specialist training & development. There were also events to support service providers and people who use services and their carers held throughout the country last year, with one of these events being held in the Western Isles. Air travel is not expected to continue at this level.

Regulatory activity continues to increase, with a corresponding increase in staff to carry out that activity. Our core functions all involve travel, and whilst we continue to explore the most environmentally effective mode of travel, it is anticipated travel will remain our biggest challenge to achieving the target reduction by 2016.

## Energy and Water Analysis

Gas, Water and Electricity			
Year	Electricity tCO <sup>2</sup> e	Gas tCO <sup>2</sup> e	Water tCO <sup>2</sup> e
2011-12	508.9	137.4	4.6
2012-13	547.3	170.4	1.4
2013-14	429.5	145.7	1.3
2014-15	404.6	147.6	1.3



#### Performance Commentary

There has been a continued decrease in electricity usage and minor change in gas consumption. Water usage remains consistent and is unlikely to change without either a significant change in the number of staff we have or a period of significant water wastage eg a long term leak.

#### Direct Impact Commentary

We are not able to measure all our energy consumption accurately as our property portfolio includes occupation of areas of buildings that are not separately metered. We therefore use an apportionment across the estate based on the actual direct energy consumption and costs.

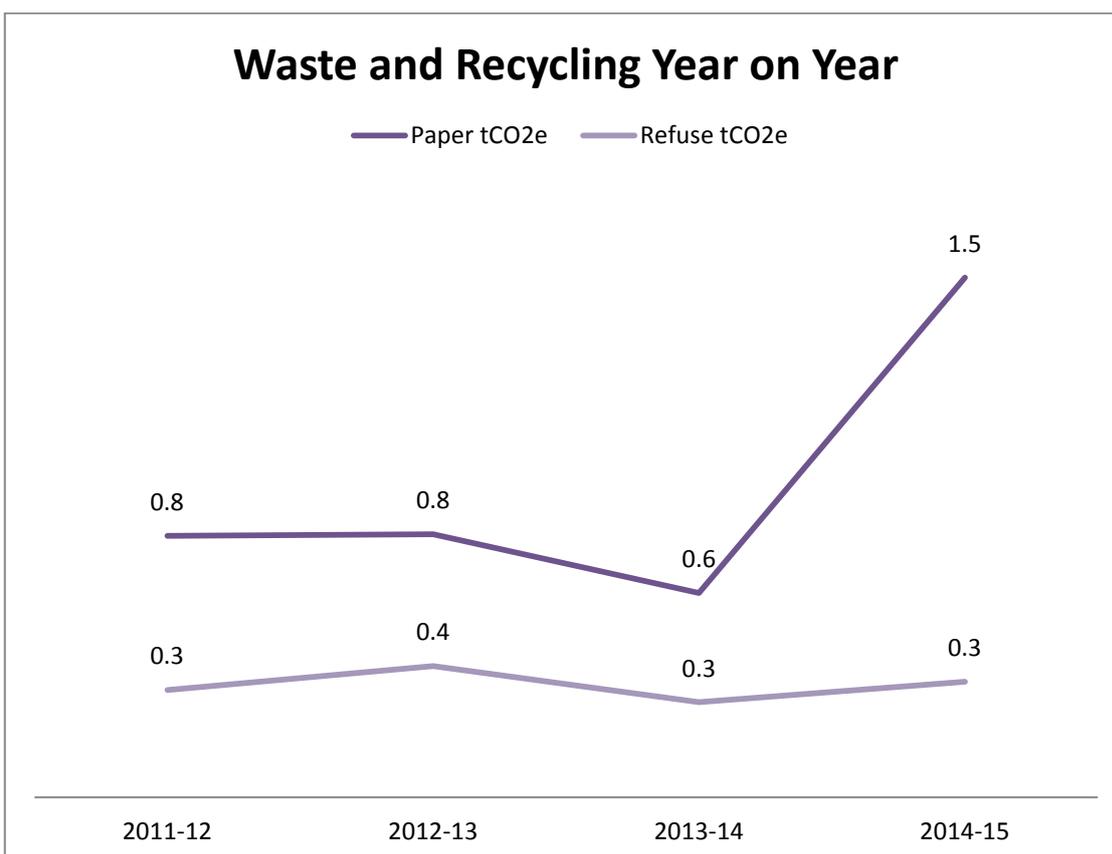
The reduction in electricity usage is directly attributable to:

- the installation of LED lighting in open plan areas in our Dundee office; and
- an increase in space occupied by the Scottish Social Services Council who share our Dundee office.

The lighting replacement program has continued this year with the renewal of all stairwell and toilet fittings. We also invested in an ICT project which means we will be able to move away from physical servers to 'virtual servers', realising sustainability benefits through the reduction in power consumption. Water consumption has continued at a satisfactorily low level

#### Waste and Recycling Analysis

Waste and Recycling		
Year	Paper tCO <sup>2</sup> e	Refuse tCO <sup>2</sup> e
2011-12	0.8	0.3
2012-13	0.8	0.4
2013-14	0.6	0.3
2014-15	1.5	0.3



### Performance Commentary

Refuse levels have remained the same but there appears to be a significant increase in paper waste and recycling.

### Direct Impact Commentary

Although there appears to be a dramatic increase in paper waste, this is a result of our confidential waste provider giving us significantly higher carbon management figures this year. The accuracy of the data from the supplier for earlier years cannot be verified as they have since migrated to a new system and no longer hold the data. We can only use the information provided and hope that this year has been attributable solely to new data collection techniques by the provider.

In line with the Waste (Scotland) Regulations, we have introduced changes to our waste and recycling activity this year. Desk bins have been removed

across all of our estate, and waste is now separated into paper and card, general waste and dry recyclates. It is hoped that next year there will be a reduction in our waste figures as we have better collection data as a result. We are also planning to include secure shredding as part of the new cleaning services contract, which will be procured using the Crown Commercial Services framework. The majority of our waste is either recycled or incinerated for energy production depending on the location of the office, the landlord and the services available.

## **Procurement**

### **Sustainable Procurement**

Sustainable procurement means taking into account social, economic and environmental considerations as part of the procurement process. The Care Inspectorate will, when preparing and evaluating tenders, consider sustainability in a way which is relevant and proportionate to the procurement process.

Karen Reid  
Chief Executive  
2 October 2015

## Section Two: Directors' Report

The Directors' report sets out the key aspects of the internal senior management operations within the Care Inspectorate over the course of the year to 31 March 2015.

### 2.1 Senior officers

The senior officers of the Care Inspectorate are:

- Annette Bruton, Chief Executive\*
- Karen Reid (was Anderson), Depute Chief Executive and Director of Strategic Development
- Robert Peat, Director of Inspection
- Gordon Weir, Director of Corporate Services
- Sue Neilson, Depute Director – Adult Services
- Sarah Blackmore, Depute Director – Children's Services & Criminal Justice (maternity leave from 7 January 2015)
- Kevin Mitchell, Acting Depute Director - Children's Services & Criminal Justice (from 8 January 2015)

\*Annette Bruton resigned as Chief Executive on 17 May 2015. Karen Reid was appointed Chief Executive from 18 May 2015.

### 2.2 Board members

Board members who served during the year are:

- Paul Edie, Chair
- Mike Cairns
- Denise Coia
- Christine Dunlop
- James McGoldrick
- Ian Doig
- Anne Haddow
- Anne Houston
- Cecil Meiklejohn
- Linda Pollock
- David Wiseman
- Sally Witcher

### 2.3 Sickness absence data

In 2014/15, we lost 3.6% (2013/14: 4.9%) of the total working days available due to sickness absence.

### 2.4 Personal data incidents

There were no data protection breaches for the year to 31 March 2015.

## **2.5 Property**

As at 31 March 2015, the Care Inspectorate leased 16 properties. Of these, nine are shared with other public sector bodies. The Estate Management Plan for 2014/17 was approved by the Resources Committee in June 2014 and sets out our commitment to reduce our estate through shared opportunities where possible.

## **2.6 Disclosure of information to auditors**

So far as I, the Accountable Officer, am aware, our auditors have all relevant information.

I have taken all steps I ought to, to make myself aware of any relevant information and to establish that our auditors are aware of that information.

## **2.7 Non audit fees**

Audit Scotland provided services solely relating to the statutory audit. No further assurance, tax or other services were provided.

## **2.8 Pensions**

The Care Inspectorate is an admitted body to the local government pension scheme and accounts for pensions under IAS 19 'Employee Benefits' standard as adapted for the public sector. Further information on pensions can be found in the remuneration report, accounting policy note 1.11 and the accounting disclosure note 5.

Karen Reid  
Chief Executive  
2 October 2015

## Section Three: Remuneration Report

This section provides information on the remuneration of Care Inspectorate Board members and senior managers. The senior managers in 2014/15 were:

- Annette Bruton, Chief Executive
- Karen Reid, Depute Chief Executive and Director of Strategic Development
- Robert Peat, Director of Inspection
- Gordon Weir, Director of Corporate Services
- Sue Neilson, Depute Director – Adult Services
- Sarah Blackmore, Depute Director – Children’s Services and Criminal Justice (Maternity leave from 7 January 2015)
- Kevin Mitchell, Acting Depute Director – Children’s Services and Criminal Justice (from 8 January 2015).

This report contains both audited information and information which is not specifically subject to audit.

### Remuneration Committee

The following Board members sit on the Remuneration Committee:

- Paul Edie (Chair)
- David Wiseman (Convener, Resources Committee)
- Mike Cairns (Convener, Audit Committee).

The committee agrees the pay strategy for all staff excluding Board members and the Chief Executive.

During the year the committee was advised by the following officers:

- Chief Executive
- Director of Corporate Services

### Remuneration policy

#### Members

The remuneration (payment) of Board members is determined by Scottish Ministers. Increases in pay are subject to satisfactory performance.

#### Chief Executive

The Chief Executive’s remuneration is determined by the Chair in accordance with Senior Public Pay Policy Guidelines. Performance is assessed through an annual appraisal performed by the Chair and this appraisal is submitted to the Scottish Government to allow the Chief Executive’s remuneration to be agreed.

#### Directors

The Depute Chief Executive and Director of Strategic Development was on a fixed salary point of £86k, directors were on fixed salary points of £83k and depute directors were on fixed salary points of £75k throughout the year.

There are no incremental progression or performance related pay adjustments to director and depute directors' pay.

The Care Inspectorate's pay strategy must be approved by the Scottish Government. Subject to that approval, a pay award package is negotiated with trade unions through the Partnership Forum. When the pay award package has been agreed, it is applied to the remuneration of directors and the main body of Care Inspectorate staff.

## Notice periods

### Members

Board members are appointed for a period determined by Scottish Ministers. Board members are eligible to be re-appointed following the end of a period of Board membership. Either party may terminate early by giving notice.

Normally there is no payment available in the event of early termination of the contract. However, where special circumstances exist, Scottish Ministers may decide that compensation for early termination is appropriate and instruct the Care Inspectorate to make a payment. The amount of the payment would also be decided by Scottish Ministers.

Details of the service contracts for Board members serving during the year are detailed below:

Name	Current term	Date of initial appointment	Date of termination of appointment
Edie, Paul (Chair)	2nd	15 April 2013	14 April 2017
Cairns, Mike	2nd	1 March 2011	28 February 2019
Coia, Denise	2 <sup>nd</sup>	1 March 2011	5 September 2018
Dunlop, Christine	1 <sup>st</sup>	10 March 2014	9 March 2018
McGoldrick, James	1st	1 September 2013	31 August 2016
Doig, Ian	2nd	1 August 2012	28 February 2019
Haddow, Anne	2nd	1 March 2011	28 February 2018
Houston, Anne	1st	10 March 2014	9 March 2018
Meiklejohn, Cecil	2nd	1 March 2011	28 February 2019
Pollock, Linda	1st	10 March 2014	9 March 2018

Wiseman, David	2nd	1 March 2011	28 February 2019
Witcher, Sally	1st	1 March 2011	28 February 2015

### Chief Executive

Annette Bruton was appointed as the Care Inspectorate's Chief Executive on 13 February 2012. The normal retirement age for this post is 65 and the current post holder will attain normal retirement age in 5.0 years.

Termination of the contract requires a notice period of 6 months by either party. There is no compensation payment specified in the contract in the event of early termination of the contract.

### Directors

The Care Inspectorate had three directors and two deputy directors posts active during the year:

- Depute Chief Executive and Director of Strategic Development
- Director of Inspection
- Director of Corporate Services
- Depute Director – Adult Services
- Depute Director – Children's Services and Criminal Justice

All directors and deputy directors have permanent contracts and are subject to the normal retirement age of 65. Termination of the contract requires a notice period of three months by either party.

There are no compensation payments specified in the contract in the event of early termination of the contract.

Name	Title	Date of appointment	Years to normal retirement age
Karen Reid	Director of Strategic Development (Depute Chief Executive)	1 Dec 2012	19.6
Robert Peat	Director of Inspection	6 May 2013	5.8
Gordon Weir	Director of Corporate Services	1 Dec 2012	15.9

Sue Neilson	Depute Director – Adult Services	1 Jan 2013	9.9
Sarah Blackmore	Depute Director – Children’s Services and Criminal Justice (to 7 January 2015)	7 May 2013	24.9
Kevin Mitchell	Acting Depute Director – Children’s Services and Criminal Justice (from 08 January 2015)	8 Jan 2015	10.7

### **Retirement policy**

The Chief Executive and directors do not have any contractual rights to early termination compensation payments but the Care Inspectorate operates a retirement policy that is applicable to all staff (excluding Board members).

This policy which remained effective up to 31 March 2015 allows additional years of pensionable service to be awarded to those members of the pension scheme who have more than five years’ pensionable service. The award of additional pensionable service is limited to a maximum of 6 $\frac{2}{3}$  years in a redundancy situation and 10 years if early termination is in the interests of the efficiency of the service.

Alternatively, pension scheme members with more than two years’ pensionable service may be paid compensation of up to 104 weeks’ pay. The number of years added or the amount of compensation paid, if any, is determined on the basis of individual circumstances and the employees age and length of service. All awards of additional service and compensation for early termination are subject to a three year pay-back period and must be approved by the Resources Committee.

This policy will change in accordance with the change in the Local Government Pension Scheme to a Career Average Revalued Earnings basis with effect from 1 April 2015.

Audited information

**Care Inspectorate Board members' remuneration**

	<b>Salary 2014/15</b>	<b>Salary 2013/14</b>
	£000	£000
Edie, Paul (Chair)	40–45	40-45
Cairns, Mike	5–10	5–10
Coia, Denise	-	-
Doig, Ian	0–5	0–5
Dunlop, Christine	5–10	0–5
Haddow, Anne	0–5	0–5
Houston, Anne	0-5	0–5
McGoldrick, James	-	-
Meiklejohn, Cecil	0–5	0–5
Pollock, Linda	5–10	0–5
Wiseman, David	5–10	5–10
Witcher, Sally to 28 February 2015	0–5	0–5

Board members are not eligible to join the pension scheme available to employees of the Care Inspectorate. Denise Coia and James McGoldrick are Board members through reciprocal membership arrangements with Healthcare Improvement Scotland and the Scottish Social Services Council respectively and receive no remuneration from the Care Inspectorate.

## Chief Executive and directors' remuneration

The salaries and pension entitlements of the Chief Executive and directors are disclosed in the table below.

	Single Total Figure of Remuneration							
	Salary		Benefits in Kind (to nearest £100)		Pension Benefits*		Total	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
	£000	£000	£	£	£000	£000	£000	£000
Annette Bruton Chief Executive	110-115	105-110	200	1,100	7	0	115-120	110-115
Karen Reid Director of Strategic Development and Depute Chief Executive	90-95	85-90	0	700	18	32	105-110	115-120
Robert Peat Director of Inspection	80-85	70-75 (Part Year)	0	0	19	n/a	100-105	70-75
Gordon Weir*** Director of Corporate Services	80-85	80-85	0	0	11	43	90-95	125-130
Sarah Blackmore Depute Director Children's Services & Criminal Justice	70-75	65-70 (Part Year)	1,900	2,000	15	n/a	85-90	65-70
Kevin Mitchell** Acting Depute Director Children's Services & Criminal Justice	15-20	-	0	0	n/a	n/a	15-20	n/a
Sue Neilson Depute Director Adult Services	70-75	70-75	0	0	10	n/a	80-85	70-75

\*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to transfer of pension rights.

\*\* Kevin Mitchell commenced on 8 January 2015 as Acting Deputy Director to cover Sarah Blackmore's maternity leave. The table above shows the part year salary actually paid. The full year equivalent is the band £70k - £75k.

\*\*\* Gordon Weir, the Director of Corporate Services, provided professional services to the Scottish Social Services Council (SSSC) during the year through a Service Level Agreement (SLA). The charge to the SSSC for this service was £19.2k (exc VAT).

### **Salary**

Salary includes gross salary, overtime, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Care Inspectorate as recorded in the annual accounts.

### **Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by the Care Inspectorate and treated by HM Revenue and Customs as a taxable emolument. All benefits in kind are associated with leased cars.

### **Pay multiples**

We are required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of our workforce. The Chief Executive was the highest paid director in the financial year 2014/15. The full time annual salary for the Chief Executive is in the salary band £110,000 to £115,000. The mid-point of this band is £112,500 which is 3.03 times greater than the median remuneration of the workforce. In 2014/15, no employees received remuneration in excess of the Chief Executive.

	<b>2014/15</b>	<b>2013/14</b>
Band of highest paid employee	£110,000 - £115,000	£105,000 - £110,000
Median Remuneration	£37,170	£36,801
Remuneration ratio	3.03	2.92

Total remuneration includes salary, overtime and other taxable allowances as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

### **Local Government Pension Scheme (LGPS)**

Details of the LGPS and the Care Inspectorate's status as an admitted body to Tayside Superannuation Fund are contained in Note 5 of the annual accounts. The Chief Executive, directors and depute directors are all members of the LGPS.

	As at 31 March 2015		As at 31 March 2015		Cash Equivalent Transfer Values (CETV)		
	Accrued Pension at age 60 £000	Related lump sum at age 60 £000	Real increase in pension at age 60 £000	Real increase in related lump sum at age 60 £000	As at 31 March 2015 £000	As at 31 March 2014 £000	Real Increase £000
Chief Executive	70-75	0	(0-2.5)	0	1,123	1,052	45
Director of Strategic Development (Depute Chief Executive)	30-35	0-2.5	2.5-5.0	(0-2.5)	91	73	16
Director of Inspection	0-5	0	0-2.5	0	41	19	22
Director of Corporate Services	45-50	65-70	2.5-5.0	(0-2.5)	487	454	23
Depute Director Children's Services and Criminal Justice	30-35	0	2.5-5.0	0	21	10	10
Acting Depute Director* Children's Services & Criminal Justice	-	-	-	-	-	-	-
Depute Director Adult Services	30-35	55-60	0-2.5	(0-2.5)	537	496	29

\* The pension information for the Acting Depute Director is not yet available as the pension is in the process of transferring from the Civil Service Pension Scheme.

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the LGPS. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real Increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **Payment of compensation for loss of office**

No Board members or senior management received any payment or other compensation for loss of office.

**Karen Reid**  
**Chief Executive**  
**2 October 2015**

## **Section Four: Statement of Accountable Officer's Responsibilities**

Under paragraph 14(1) of Schedule 11 to the Public Services Reform (Scotland) Act 2010, the Care Inspectorate is required to prepare a statement of accounts for each financial year in the form as directed by Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the Care Inspectorate's affairs at the year end, and of its financial activities during the year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual, and in particular to:

- observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements
- prepare the financial statements on a 'going concern' basis, unless it is inappropriate to presume that the Care Inspectorate will continue in operation.

Scottish Ministers designated the Chief Executive as the Accountable Officer for the Care Inspectorate. The Chief Executive's relevant responsibilities as Accountable Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accountable Officer Memorandum issued by the Scottish Government and published in the Scottish Public Finance Manual.

**Karen Reid**  
**Chief Executive**  
**2 October 2015**

# Section Five: Governance Statement

## Introduction

The Care Inspectorate is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Care Inspectorate also has a Duty of Best Value as set out in the Scottish Public Finance Manual. The Duty of Best Value ensures there is a focus firstly on continuous improvement which will help ensure sustainable economic growth for the people of Scotland and secondly on the delivery of the outcomes required of all public services as set out in the National Performance Framework.

In discharging this overall responsibility, members and senior officers are responsible for putting in place proper arrangements for the governance of the Care Inspectorate's affairs and facilitating the exercise of its functions. This includes setting the strategic direction, vision, culture and values of the Care Inspectorate, effective operation of corporate systems, processes and internal controls, engaging with stakeholders, monitoring whether strategic objectives have been achieved and services delivered cost effectively, and ensuring that appropriate arrangements are in place for the management of risk.

This annual governance statement explains the Care Inspectorate's governance and risk management framework.

## The governance framework

### Organisational structure

The Board is made up of a Chair and eleven members. The Chair and nine of the members are appointed by Scottish Ministers through open competition. The Convener of the Scottish Social Services Council and the Chair of Healthcare Improvement Scotland also sit on the Board. The Board members provide a wealth of experience and wide-ranging skills, along with a passionate interest in care and social work. It is a statutory requirement that appointments to the Board must have at least one member who uses or has used a care service and at least one member who cares for, or has cared for, a person using care services. The Board remains ultimately responsible and accountable for all the decisions taken in its name, whether directly or through its committees.

The Board has corporate responsibility for ensuring that the Care Inspectorate fulfils its aims and objectives, for promoting the efficient and effective use of staff and other resources and for identifying and managing risk.

The Board must approve the making, revision or revocation of standing orders, the code of conduct for members, the reservation of powers and scheme of delegation, and financial regulations. It must approve the annual report and accounts, budget, corporate plan, risk register and risk management strategy for each financial year.

The Board is also responsible for the approval of the appointment of internal auditors to the Care Inspectorate.

We currently have the following committees, all of which report to the Board.

### **Policy Committee**

The Policy Committee replaced the Strategy and Performance Committee in May 2014. The Policy Committee monitors and considers internal and external developments and events and identifies themes and trends in all scrutiny activity with a view to making recommendations to the Board to inform strategy formulation and strategic policy development.

### **Strategy and Performance Committee (to 23 May 2014)**

This committee assists the Board in establishing the overall strategic direction of the Care Inspectorate within the policy, planning and resources framework determined by Scottish Ministers, in accordance with the principles of Better Regulation. The committee is responsible for providing an oversight of performance and development throughout the organisation, identifying themes and trends arising from scrutiny activity and to examine the effectiveness of the Care Inspectorate's liaison with other regulatory bodies.

### **Audit Committee**

This committee oversees the financial reporting arrangements of the Care Inspectorate, the external and internal audit arrangements, and ensures that there is sufficient and systematic review of internal control arrangements of the organisation, including arrangements for risk management. The committee is also responsible for advising the Board on the development of the strategic performance management framework which includes the development of quality indicators (QIs) and key performance indicators (KPIs) to underpin the corporate plan.

### **Resources Committee**

This committee oversees how the Care Inspectorate conducts its business, including the preparation of business plans and budgets, consideration of resource requirements and the effective, efficient and economical use of the Care Inspectorate's resources. The committee is also responsible for the development and implementation of the following key resourcing strategies: estates; finance; human resources; administration; ICT; procurement; organisational development; employee development; and the development, evaluation and review of business processes to ensure that they operate in accordance with the principles of Better Regulation and Best Value.

### **Remuneration Committee**

This committee approves the Care Inspectorate's pay remit for all employees in accordance with the public sector pay policy guidance.

### **Complaints Committee**

This committee monitors and contributes to the development of the Care Inspectorate's Complaints Procedure and complaints policy and practice, monitors performance and identifies themes and trends in respect of the Care Inspectorate's Complaints Procedure, monitors the outcomes of any complaint relating to the Care Inspectorate which has been referred to the Scottish Public Services Ombudsman ("SPSO") and monitors the Care Inspectorate's methods and approach in relation to individual complaint reviews. This is a new Committee constituted in June 2014.

### **Sub committees**

During 2014/15, the Care Inspectorate had an Appeals Sub Committee and a Complaints Review Sub Committee (superseded by the Complaints Committee and last met on 22 April 2014). Board members may also be required to attend these sub committees.

### **Board members and attendance**

Board members are subject to the Ethical Standards in Public Life (Scotland) Act 2000 and the Care Inspectorate Code of Conduct which has been approved by Scottish Ministers. The key principles which underpin the Code are based on the principles of public life set down by the Committee on Standards in Public Life (originally 'the Nolan Committee') and have been expanded by the Scottish Executive.

The key principles are:

- duty
- selflessness
- integrity
- objectivity
- accountability and stewardship
- openness
- honesty
- leadership and
- respect.

Board members also work to the six core principles set out in the Good Governance Standard for Public Services, which are:

- focusing on the organisation's purpose and on outcomes for citizens and service users
- performing effectively in clearly defined functions and roles
- promoting values for the whole organisation and demonstrating the values of good governance through behaviour
- taking informed transparent decisions and managing risk
- developing the capacity and capability of the governing body to be effective
- engaging stakeholders and making accountability real.

Board meetings are held in public and the minutes of each meeting are available on our website [www.careinspectorate.com](http://www.careinspectorate.com)

**Board Member Attendance at Meetings  
1 April 2014 to 31 March 2015**

Board Member	Board		Strategy & Performance (to June 2014)		Policy Committee (from June 2014)		Audit		Resources	
	Member	Attended	Member	Attended	Member	Attended	Member	Attended	Member	Attended
Paul Edie, Chair	4	Yes	1	Yes	4	No	4*	No	5*	
Mike Cairns	4	Yes	1	Yes	4	Yes	6	No	-	
Denise Coia	1	No	-	No	-	No	-	No	-	
Christine Dunlop	4	No	-	No	-	Yes	3	Yes	4	
Ian Doig	4	No	-	No	-	Yes	6	Yes	5	
Anne Haddow	3	Yes	1	Yes	4	No	-	No	-	
Anne Houston	4	Yes	0	Yes	3	No	-	No	-	
James McGoldrick	4	No	-	No	-	No	-	No	-	
Cecil Meiklejohn	3	Yes	1	No	-	Yes	4	Until 27/6/14	1	
Linda Pollock	4	Yes	0	No	-	Yes	4	Yes	4	
David Wiseman	3	Yes	0	Yes	3	Yes	1	Yes	5	
Sally Witcher	2	No	-	No	-	Yes	0	Yes	2	

	Remuneration		Complaints		Total
	Member	Attended	Member	Attended	Attendances
Paul Edie, Chair	Yes	1	No	-	19
Mike Cairns	Yes	1	Yes	4	20
Denise Coia	No	-	No	-	1
Christine Dunlop	No	-	No	-	11
Ian Doig	No	-	Until 27/6/14	1	16
Anne Haddow	No	-	Yes	4	12
Anne Houston	No	-	Yes	3	10

	Remuneration		Complaints		Total
	Member	Attended	Member	Attended	Attendances
James McGoldrick	No	-	No	-	4
Cecil Meiklejohn	No	-	Yes	1	10
Linda Pollock	No	-	No	-	12
David Wiseman	Yes	1	Until 27/6/14	1	14
Sally Witcher	No	-	Yes	0	4

\* Paul Edie, as Chair, often attends Audit and Resources Committees but is not a member of these Committees.

### **Accountable Officer**

The Care Inspectorate's Chief Executive, Annette Bruton, was the designated Accountable Officer up until 17 May 2015. Karen Reid is the designated Accountable Officer from 18 May 2015. The Accountable Officer is personally responsible to Scottish Ministers, who are ultimately accountable to the Scottish Parliament, for securing propriety and regularity in the management of public funds and for the day-to-day operations and management of the Care Inspectorate.

The detailed responsibilities of the accountable officer for a public body are set out in a memorandum from the Principal Accountable Officer of the Scottish Administration which is issued to the Chief Executive on appointment and updated from time to time.

### **Executive Team**

The Executive Team supports the Chief Executive in her Accountable Officer role through the formal scheme of delegation. In addition to the Chief Executive, the Executive Team for the financial year 2014/15 comprised:

- Karen Reid, Director of Strategic Development and Depute Chief Executive (Chief Executive from 18 May 2015)
- Robert Peat, Director of Inspection
- Gordon Weir, Director of Corporate Services
- Sue Neilson, Deputy Director – Adult Services
- Sarah Blackmore, Deputy Director – Children's Services and Criminal Justice.
- Kevin Mitchell, Acting Deputy Director – Children's Services and Criminal Justice (maternity leave cover)

Each of these officers has responsibility for the development and maintenance of the governance environment within their own areas of control.

### **Internal audit**

The Care Inspectorate's internal audit function has been contracted out. Internal audit forms an integral part of the Care Inspectorate's internal control and governance arrangements. The internal audit service operates in accordance with government internal audit standards and undertakes an annual programme of work approved by the Audit Committee. This annual programme is based on a formal risk assessment process which is updated on an on-going basis to reflect evolving risks and changes.

### **Key elements of the Care Inspectorate's governance arrangements**

The following are key elements of our governance arrangements:

- the Care Inspectorate's vision is incorporated within the corporate plan which has been published and is available on the Care Inspectorate's website
- the Care Inspectorate seeks stakeholder views on a wide range of issues, undertakes regular consultation and involves people who use

- care services and/or their carers across a range of Care Inspectorate activities including planning and development work
- the roles and responsibilities of members and officers are defined in our standing orders, scheme of delegation and financial regulations
  - our standing orders, scheme of delegation and financial regulations are subject to regular review and revised where appropriate
  - we have tested business continuity plans in place which set out the arrangements with which we aim to continue to deliver services in the event of an emergency
  - our performance management arrangements enable progress against the Care Inspectorate's priorities to be monitored
  - we publicly report on our performance
  - we respond to findings and recommendations of our external auditors (Audit Scotland) and our internal auditors (Scott-Moncrieff); the Audit Committee receives regular reports from management on the implementation of audit recommendations and the internal auditors formally report on the implementation of agreed audit recommendations to the Audit Committee annually
  - the Audit Committee reports annually to the Board on their own performance as a committee, the committee's opinion on the performance of internal and external audit, and provides an opinion on the reliability and appropriateness of the annual governance statement
  - we are committed to the efficient government programme and on an annual basis identify efficiency savings achieved by implementing this initiative
  - codes of conduct are in place for, and define the standards of behaviour expected from, members and officers
  - we foster relationships and partnerships with other public, private and voluntary organisations where there is a clear alignment with our corporate objectives
  - a register of members' interests is maintained and is available for inspection by members of the public; declarations of conflicts of interest are standing agenda items at each Board and Committee meeting
  - the performance and training needs of Board members are assessed by the Chair, meaning all Board members have personal development plans which are periodically supplemented by additional training for members; the Chair is similarly assessed by senior officials within the sponsor department
  - board members are appointed by Scottish Ministers and the scheme of members' remuneration and expenses is similarly determined by Scottish Ministers;
  - the Chief Executive is responsible and accountable for all aspects of executive management
  - the roles of all officers are defined in agreed job descriptions and staff performance is reviewed on an annual basis in accordance with our personal development and review scheme
  - we hold regular performance review meetings with the sponsor department

- we have a prevention of fraud policy and a fraud response plan that clearly sets out the process to be followed if fraud is suspected
- we have a prevention of bribery policy
- a whistle-blowing policy provides for the direct reporting of problems without fear of recrimination.

### **Risk management**

The Care Inspectorate has a risk management policy. The main priorities of this policy are the identification, evaluation and control of risks which threaten our ability to deliver our objectives. The policy provides direction on a consistent, organised and systematic approach to identifying risks, the control measures that are already in place, the residual risk, the risk appetite and action that is necessary to further mitigate against risks.

Risks identified are maintained on a strategic risk register and addressed in the preparation of the corporate plan. The corporate plan is being developed to show clear links between risks identified on the risk register and the Care Inspectorate's corporate objectives. As a result, the risks identified will become embedded in managers' work plans for the year.

The strategic risk register is available on the Care Inspectorate website ([www.careinspectorate.com](http://www.careinspectorate.com)).

### **System of internal financial control**

Within the Care Inspectorate's overall governance framework, specific arrangements are in place as part of the system of internal financial control. This system is intended to ensure that reasonable assurance can be given that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period.

The Care Inspectorate's system of internal financial control is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is the responsibility of managers within the Care Inspectorate. In particular, the system includes:

- financial regulations
- comprehensive budgeting systems
- regular reviews of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- the preparation of regular financial reports which indicate actual expenditure against the forecasts
- clearly defined capital expenditure guidelines.

## **Compliance with guidance and best practice**

The following are all key documents that have underpinned the development of our governance framework:

- Scottish Public Finance Manual (Scottish Government)
- Executive Framework Document (Scottish Government)
- On Board: A Guide for Board Members of Public Bodies in Scotland (Scottish Government)
- The Model Code of Conduct for Members of Devolved Public Bodies (Scottish Government)
- Best Value in Public Services: Guidance for Accountable Officers (Scottish Government)
- The Good Governance Standard for Public Services (The Independent Commission on Good Governance in Public Services)
- Audit Committee Handbook (Scottish Government)
- The Role of Boards (Audit Scotland).

## **Review**

The effectiveness of our governance framework is reviewed annually as part of the preparation of this governance statement. Individual policies and procedures that contribute towards the overall governance framework are also subject to periodic review.

This review is informed by:

- the views of the Audit Committee on the assurance arrangements
- the opinions of internal and external audit on the quality of the systems of governance, management and risk control
- 'certificates of assurance' supplied by Executive Team members following a review of the governance arrangements within their specific areas of responsibility
- regular formal monitoring of progress against corporate plan, business plan and budget
- feedback from managers and staff within the Care Inspectorate on our performance, use of resources, responses to risks, and the extent to which in-year budgets and other performance targets have been met
- integrated formal reviews of the effectiveness of the Board and its committees.
- Periodic staff surveys

Areas where the governance framework can be developed, identified as a result of this review process, are detailed in the sections below.

## **Significant issues**

There were no significant issues to report during the financial year.

### **Developing the governance framework**

The Corporate Governance Review Group submitted their first report and action plan to the Audit Committee in June 2015. This is a member/officer working group that meets at least annually to:

- Develop an annual action plan to improve and develop corporate governance. This action plan is submitted each year to the Audit Committee for approval.
- Review progress against the agreed action plan
- Identify new and emerging governance issues
- Inform the preparation of the annual Governance Statement which is publicly reported in the Annual Report and Accounts.

### **Personal data incidents**

There were no data protection breaches for the year to 31 March 2015.

### **Certification**

The Care Inspectorate's governance framework has been in place for the year ended 31 March 2015 and up to the date of signing of the accounts.

It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Care Inspectorate's systems of governance. Although areas for further improvement have been identified the annual review has provided sufficient evidence that the Care Inspectorate's governance arrangements have operated effectively and that the Care Inspectorate complies with all relevant guidance and generally accepted best practice in all significant respects.

**Karen Reid**  
**Chief Executive**  
**2 October 2015**

## **Section Six: Independent Auditor's report**

### **Independent auditor's report to the members of the Care Inspectorate, the Auditor General for Scotland and the Scottish Parliament**

I have audited the financial statements of the Care Inspectorate for the year ended 31 March 2015 under the Public Services Reform (Scotland) Act 2010. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2014/15 Government Financial Reporting Manual (the 2014/15 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

#### **Respective responsibilities of Accountable Officer and auditor**

As explained more fully in the Statement of the Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to

the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, I read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements, irregularities, or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with the Public Services Reform (Scotland) Act 2010 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2015 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2014/15 FReM; and
- have been prepared in accordance with the requirements of the Public Services Reform (Scotland) Act 2010 and directions made thereunder by the Scottish Ministers.

### **Opinion on regularity**

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

### **Opinion on other prescribed matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Public Services Reform (Scotland) Act 2010 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I am required to report by exception**

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or

- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.

David McConnell, MA, CPFA

Assistant Director of Audit

Audit Scotland

4th Floor, South Suite

The Athenaeum Building

8 Nelson Mandela Place

GLASGOW

G2 1BT

Date:

# **Section Seven: Financial Accounts**

Social Care and Social Work Improvement Scotland (Care Inspectorate)  
Annual Accounts

1 April 2014 to 31 March 2015

**SOCIAL CARE and SOCIAL WORK IMPROVEMENT SCOTLAND (CARE  
INSPECTORATE)**

**FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015**

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**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2014/15 £000	2013/14 £000
<b><u>Income</u></b>			
Fees charged to service providers	2a	(11,882)	(11,878)
Other operating income	2b	(1,510)	(1,459)
		<b>(13,392)</b>	<b>(13,337)</b>
<b><u>Expenditure</u></b>			
Staff costs	3b	29,728	28,124
Operating expenditure	6	8,295	8,497
		<b>38,023</b>	<b>36,621</b>
<i>Net Operating cost on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities</i>		<b>24,631</b>	<b>23,284</b>
Bank charges (net of interest)		6	5
Net interest on defined pension liability/(asset)	5b	2,255	1,500
<i>Net Operating cost on ordinary activities after interest and net interest on pension scheme net liabilities</i>		<b>26,892</b>	<b>24,789</b>
Total actuarial re-measurements on defined pensions liability	5b	(23,742)	13,891
<b>Total comprehensive net expenditure before Scottish Government funding*</b>		<b>3,150</b>	<b>38,680</b>

\* Please refer to the table on page 36 for further explanation.

All operations are continuing.

The notes on pages 80 to 103 form an integral part of these accounts.

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015**

	<b>Notes</b>	<b>2014/15 £000</b>	<b>2013/14 £000</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	552	552
Intangible assets	8	131	141
<b>Total non-current assets</b>		<b>683</b>	<b>693</b>
<b>Current assets</b>			
Trade and other receivables	9	3,083	2,936
Cash and cash equivalents	10	1,732	1,767
<b>Total current assets</b>		<b>4,815</b>	<b>4,703</b>
<b>Total assets</b>		<b>5,498</b>	<b>5,396</b>
<b>Current liabilities</b>			
Trade and other payables	11	(3,611)	(3,510)
<b>Total current liabilities</b>		<b>(3,611)</b>	<b>(3,510)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>1,887</b>	<b>1,886</b>
<b>Non-current liabilities</b>			
Other payables greater than one year	11	(122)	(149)
Pension assets/(liabilities)	SOCTE	(32,553)	(51,807)
<b>Total non-current liabilities</b>		<b>(32,675)</b>	<b>(51,956)</b>
<b>Assets less liabilities</b>		<b>(30,788)</b>	<b>(50,070)</b>
<b>Taxpayers' equity</b>			
Pensions reserve	SOCTE	(32,553)	(51,807)
General reserve	15	1,765	1,737
		<b>(30,788)</b>	<b>(50,070)</b>

**Karen Reid**  
**Chief Executive**  
**2 October 2015**

The notes on pages 80 to 103 form an integral part of these accounts.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2014/15 £000	2013/14 £000
<b>Cash flows from operating activities</b>			
Total comprehensive net expenditure before Scottish Government funding	SCNE	(3,150)	(38,680)
Adjustments for non-cash items:			
Pension actuarial adjustments	5b (table 2)	(19,254)	16,917
Depreciation and amortisation	7,8	241	210
Disposal of property, plant and equipment	7	0	23
(Increase)/decrease in trade and other receivables	9	(147)	28
Increase/(decrease) in trade payables	11	101	127
Increase/(decrease) in non-current liabilities	11	(27)	(15)
<b>Net cash outflow from operating activities</b>		(22,236)	(21,390)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(165)	(214)
Purchase of intangible assets	8	(66)	(40)
<b>Net cash outflow from investing activities</b>		(231)	(254)
<b>Cash flows from financing activities</b>			
Grants from Scottish Government	12	22,432	21,894
<b>Net financing</b>		22,432	21,894
Net increase/(decrease) in cash and cash equivalents in the period	10	(35)	250
Cash and cash equivalents at the beginning of the period	10	1,767	1,517
Cash and cash equivalents at the end of the period	10	1,732	1,767

The notes on pages 80 to 103 form an integral part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

		<b>Pension Reserve £000</b>	<b>General Reserve £000</b>	<b>Total Reserves £000</b>
<b>Balance at 31 March 2013</b>		<b>(34,890)</b>	<b>1,606</b>	<b>(33,284)</b>
<b>Changes in taxpayers' equity for 2013/14</b>				
Adjustment between accounting basis and funding basis for actuarial pension valuation adjustments	5b	(16,917)	16,917	0
Total comprehensive net expenditure			(38,680)	(38,680)
<b>Total recognised income and expense for 2013/14</b>		<b>(16,917)</b>	<b>(21,763)</b>	<b>(38,680)</b>
Grants from Scottish Government	12		21,894	21,894
<b>Balance at 31 March 2014</b>		<b>(51,807)</b>	<b>1,737</b>	<b>(50,070)</b>
<b>Changes in taxpayers' equity for 2014/15</b>				
Adjustment between accounting basis and funding basis for actuarial pension valuation adjustments	5b (table 2)	19,254	(19,254)	0
Total comprehensive net expenditure			(3,150)	(3,150)
<b>Total recognised income and expense for 2014/15</b>		<b>19,254</b>	<b>(22,404)</b>	<b>(3,150)</b>
Grants from Scottish Government	12		22,432	22,432
<b>Balance at 31 March 2015</b>		<b>(32,553)</b>	<b>1,765</b>	<b>(30,788)</b>

The notes on 80 to 103 form an integral part of these accounts.

## **NOTES TO THE ACCOUNTS**

### **1 Statement of accounting policies**

#### **1.1 Basis of accounts**

The accounts have been prepared in accordance with the Accounts Direction issued by the Scottish Ministers. The Accounts Direction (reproduced at Appendix 1) requires compliance with the Government's Financial Reporting Manual (FReM) which follows International Financial Reporting Standards as adopted by the European Union, International Financial Reporting Interpretation Committee (IFRIC) Interpretations and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The particular accounting policies adopted by the Care Inspectorate are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts are prepared using accounting policies and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors.

#### **1.2 Accounting standards issued not yet effective**

In accordance with IAS8, changes to IFRS that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. No significant impact on future periods' financial statements is anticipated. The following standards have been considered:

- IFRS13 - Fair value measurement
- IAS19 Amendments – Employee benefits

#### **1.3 Accounting convention**

The accounts have been prepared under the historical cost convention except for certain financial instruments and pensions that have been measured at fair value as determined by the relevant accounting standard.

#### **1.4 Going concern**

The accounts have been prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future. Further explanation of the going concern basis is contained in the Financial Review section (pages 35 to 39).

#### **1.5 Property, plant and equipment**

##### **1.5.1 Capitalisation**

The capitalisation threshold for individual assets is £5,000. This applies to all asset categories.

### **1.5.2 Valuation**

Property, plant and equipment assets are carried at cost, less accumulated depreciation and any recognised impairment value. The Care Inspectorate does not have any assets held under finance leases.

Depreciated historic cost has been used as a proxy for the current value. All property, plant and equipment have low values and short useful economic lives which realistically reflect the life of the asset, and a depreciation charge which provides a realistic reflection of consumption.

### **1.5.3 Depreciation**

Depreciation is provided on property, plant and equipment on a straight line basis using the expected economic life of the asset. A full year's depreciation is charged in the year the asset is first brought into use and no depreciation is charged in the year of disposal. The economic life of an asset is determined on an individual asset basis.

### **1.6 Intangible assets**

Acquired intangible assets are measured initially at cost and are amortised on a straight line basis over their estimated useful lives. Acquired intangible assets tend to be software. The economic life of an asset is determined on an individual basis.

### **1.7 Impairment of tangible and intangible assets**

All tangible and intangible non-current assets are reviewed for impairment in accordance with IAS 36 'Impairment of Assets' when there are indications that the carrying value may not be recoverable. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value, less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses this is recognised as income immediately.

### **1.8 Government grants receivable**

Grants and grant-in-aid in respect of revenue and capital expenditure are treated as a source of financing and are credited to the general reserve.

### **1.9 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Care Inspectorate currently only holds operating leases.

### **1.9.1 The Care Inspectorate as a lessor**

The Care Inspectorate provides ICT and property services to the Scottish Social Services Council and this arrangement is disclosed as an operating lease. The Care Inspectorate also sub-lets offices to other public bodies.

Income from operating leases to the value of £1.138m has been recognised in the SCNE.

### **1.9.2 The Care Inspectorate as a lessee**

Costs in respect of operating leases are charged to the operating cost statement on a straight line basis over the term of the lease.

Costs for operating leases to the value of £1.670m have been recognised in the SCNE.

### **1.10 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position consist of cash at bank and cash in hand.

### **1.11 Pensions**

The Care Inspectorate accounts for pensions under IAS 19 'Employee Benefits' as adapted to the public sector.

The Care Inspectorate is an admitted body to the local government pension scheme and this is a defined benefit scheme. Obligations are measured at discounted present value whilst scheme assets are recorded at fair value. The operating and financing costs of such schemes are recognised separately in the statement of comprehensive net expenditure (SCNE). Service costs are spread systematically over the expected service lives of employees. Financing costs and actuarial gains and losses are recognised in the period in which they arise.

The Care Inspectorate's funding rules require the general reserve balance to be charged with the amount payable by the Care Inspectorate to the pension scheme and not the amount calculated according to the application of IAS 19. Therefore there are appropriations to/from the pensions reserve shown in the statement of changes in taxpayers' equity to reverse the impact of the IAS 19 entries included in the statement of comprehensive net expenditure to ensure the general reserve balance is charged with the amount payable by the Care Inspectorate.

### **1.12 Short term employee benefits**

The Care Inspectorate permits the carry forward of unused annual leave entitlement and accumulated flexible working hours scheme balances. Entitlement to annual leave and flexible working hours are recognised in the accounts at the time the employee renders the service and not when the annual leave and accumulated hours balances are actually used.

### **1.13 Shared services**

The Care Inspectorate shares its headquarters and some services with the Scottish Social Services Council (SSSC). There is a Service Level Agreement (SLA) between the SSSC and Care Inspectorate and the Care Inspectorate charges the SSSC for property costs and ICT costs based on this SLA. The SLA contains arrangements akin to a lease for accommodation and ICT equipment.

### **1.14 Value Added Tax (VAT)**

The Care Inspectorate can recover only a nominal value of VAT incurred on purchases, with irrecoverable VAT being charged to the SCNE.

### **1.15 Revenue and capital transactions**

Revenue and capital transactions are recorded in the accounts on an income and expenditure basis, that is they are recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the Care Inspectorate as at 31 March 2015 have been brought into account.

### **1.16 Financial instruments**

The Care Inspectorate does not hold any complex financial instruments. As the cash requirements of the Care Inspectorate are met through grant-in-aid provided by the Health and Social Care Integration Directorate, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with our expected purchase and usage requirements and the Care Inspectorate is therefore exposed to little credit, liquidity or market risk.

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Care Inspectorate becomes a party to the contractual provisions of the instrument.

#### **1.16.1 Trade receivables**

Trade receivables are non-interest bearing and are recognised at fair value, reduced by appropriate allowances for estimated irrecoverable amounts.

#### **1.16.2 Trade payables**

Trade payables are non-interest bearing and are stated at fair value.

### **1.17 Change in accounting policy**

There have been no changes in accounting policy during the year.

### **1.18 Operating segments**

Financial reporting to senior decision makers is at an organisation wide level and therefore segmental reporting under IFRS 8 is not required.

### **1.19 Contingent Liabilities**

In the event that the Care Inspectorate had contingent liabilities, these would be disclosed in accordance with IAS37.

<b><u>2</u></b>	<b><u>Operating income</u></b>		
		<b>2014/15</b>	<b>2013/14</b>
<b>2a</b>	<b>Fees charged to service providers</b>	<b>£000</b>	<b>£000</b>
	Continuation of registration	11,295	11,270
	Application to register	587	608
		<b>11,882</b>	<b>11,878</b>
		<b>2014/15</b>	<b>2013/14</b>
<b>2b</b>	<b>Other operating income</b>	<b>£000</b>	<b>£000</b>
	Recharges for services provided to other organisations	1,091	1,055
	Secondee recharges	144	92
	Lease income	219	217
	Other income	56	95
		<b>1,510</b>	<b>1,459</b>
<b><u>3</u></b>	<b><u>Staff numbers and costs</u></b>		
<b><u>3a</u></b>	<b><u>Average number of staff employed (full time equivalent)</u></b>		
		<b>2014/15</b>	<b>2013/14</b>
		<b>FTE</b>	<b>FTE</b>
	Board members	10	10
	Senior management (Executive Team)	6	6
	Registration, Complaints & Legal	108	108
	Inspection and other scrutiny staff	355	354
	Support staff	105	101
	Agency and other workers	21	24
		<b>605</b>	<b>603</b>

<u>3b</u> <u>Analysis of staff costs</u>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Salaries	20,863	20,247
Social security costs	1,717	1,685
Pension service costs	5,705	4,710
Pension curtailments and settlements		
<b>Total directly employed staff</b>	<b>28,285</b>	<b>26,642</b>
Secondment inwards	285	362
Agency workers	681	680
<b>Sub Total</b>	<b>29,251</b>	<b>27,684</b>
Voluntary early severance/retirement costs	36	1
Other staff costs	441	439
<b>Staff Costs</b>	<b>29,728</b>	<b>28,124</b>
Secondment outwards	(144)	(92)
<b>Net staff costs after secondment income</b>	<b>29,584</b>	<b>28,032</b>

3c    Analysis of impact of actuarial pension valuation adjustments (see note 5)

	<b>2014/15</b>			<b>2013/14</b>		
	<b>Local Government Scheme £000</b>	<b>NHS Scheme £000</b>	<b>Total £000</b>	<b>Local Government Scheme £000</b>	<b>NHS Schemes £000</b>	<b>Total £000</b>
Employer pension contributions actually paid	3,450	66	3,516	3,171	72	3,243
<b>Accounting entries (IAS19 note 5)</b>						
Service cost (actuarial basis)	5,639	66	5,705	4,638	72	4,710
<b>Pension costs included in staff costs (SCNE)</b>	<b>5,639</b>	<b>66</b>	<b>5,705</b>	<b>4,638</b>	<b>72</b>	<b>4,710</b>
Variance between actual cost and accounting basis	2,189	0	2,189	1,467	0	1,467

#### 4 Reporting of voluntary early severance/voluntary early retirement scheme

The Care Inspectorate granted voluntary early retirement to one employee during the year.

The tables below show the number of departures and associated costs of operating the scheme.

Year to 31 March 2015		
Exit package cost band	Number of departures agreed	Total cost £000
£25,000 to £50,000	1	36
<b>TOTALS</b>	<b>1</b>	<b>36</b>

Year to 31 March 2014		
Exit package cost band	Number of departures agreed	Total cost £000
<£10,000	1	1
<b>TOTALS</b>	<b>1</b>	<b>1</b>

Exit package costs include:

- redundancy payments
- payments to the pension fund where early retirement has been agreed
- pay in lieu of notice.

Exit costs are accounted for in full in the year of departure. Redundancy and other departure costs have been paid in accordance with the Care Inspectorate's retirement policy and the Local Government Pension Scheme Regulations for Scotland. Where the Care Inspectorate has agreed early retirements, the additional costs are met by the Care Inspectorate and not the Local Government Pension Scheme.

#### 5 Post employment benefits: pension

International Accounting Standard 19 (IAS 19) 'Employee Benefits' sets out the accounting treatment to be followed when accounting for the costs of providing a pension scheme.

##### NHS pension scheme

As at 31 March 2015 the Care Inspectorate employed 12 people who were members of the NHS Superannuation Scheme (Scotland). The scheme is an unfunded multi-employer defined benefit scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer

contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2012. The next valuation will be as at 31 March 2016 and this will set contribution rates from 1 April 2019. The Care Inspectorate is unable to identify its share of underlying assets and liabilities, therefore is treated for accounting purposes as a defined contribution scheme.

- The Care Inspectorate has no liability for other employer's obligations to the multi-employer scheme.
- As the scheme is unfunded there can be no deficit or surplus to distribute the wind-up of the scheme or the withdrawal from the scheme.

During the year ended 31 March 2015, the Care Inspectorate paid an employer's contribution of £66k (2013/14 £72k) into the NHS scheme at a rate of 13.5% of pensionable pay (2013/14 13.5%). The employer contribution rate for the year to 31 March 2016 will increase to 14.9%.

### **Tayside superannuation fund**

The Tayside Superannuation Fund is a multi-employer scheme which includes local authorities and admitted bodies.

The fund is administered by Dundee City Council and the pension scheme is part of the Local Government Pension Scheme. It is a defined benefit scheme, which means that the benefits to which members and their spouses are entitled are determined by final pensionable pay and length of service.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2017. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The contributions paid by the Care Inspectorate for the year to 31 March 2015 were £3,450k (2013/14 £3,171k) representing 18.0% of pensionable pay. The employer contribution rate for the year to 31 March 2016 will reduce to 17.0%. Employee contribution rates for the LGPS were in the range 5.5% to 11.2% based on earnings bands.

Participation in the defined benefit scheme exposes the Care Inspectorate to the following risks:

- Investment Risk. The fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the fund

holds assets such as equities, the value of the assets and liabilities may not move in the same way;

- Inflation risk. All of the benefits under the fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed, a deficit will emerge in the fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the fund, there is an orphan liability risk where employers leave the fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Care Inspectorate, for example higher than expected investment returns or employers leaving the fund with excess assets which eventually get inherited by the remaining employers.

#### **5a Employee benefits – statement of financial position recognition**

	<b>Year to 31 March 2015</b>	<b>Year to 31 March 2014</b>
	£000	£000
Present value of funded obligation	(159,240)	(171,446)
Fair value of scheme assets (bid value)	126,687	119,639
<b>Net liability</b>	<b>(32,553)</b>	<b>(51,807)</b>

**5b Statement of comprehensive net expenditure (SCNE) costs for the year to 31 March 2015**

**Table 1 - The amounts recognised in the SCNE are as follows:**

	Year to 31 March 2015		Year to 31 March 2014	
	£000	£000	£000	£000
Service cost		5,639		4,638
Administration expenses		44		59
Net interest on the defined liability/(asset)		2,255		1,500
Difference between actual employer's contributions and actuarial employer's contributions	12		30	
Return on plan assets in excess of interest	(11,704)		(3,252)	
Other actuarial losses on assets	12,531		-	
Change in financial assumptions	15,425		12,652	
Change in demographic assumptions	(8,181)		4,461	
Experience loss/(gain) on defined benefit obligation	(31,825)		-	
Total re-measurements		(23,742)		13,891
<b>Total</b>		<b>(15,804)</b>		<b>20,088</b>
Actual return on scheme assets		17,143		8,201

The Care Inspectorate recognises the cost of retirement benefits in the reported operating cost when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made under the Care Inspectorate's funding rules is based on the cash payable in the year. This requires the real cost of post employment/retirement benefits to be reversed out of the general reserve via the statement of changes in taxpayers' equity. The following transactions have been made in the SCNE and the general reserve balance via the statement of changes in taxpayers' equity during the year:

Table 2		2014/15	2013/14
Actuarial adjustments for:	Note	£000	£000
Staff costs	3c	2,189	1,467
Administration expenses	5b Table 1	44	59
Net interest on defined liability/(asset)	5b Table 1	2,255	1,500
Total re-measurements	5b Table 1	(23,742)	13,891
<b>Total actuarial adjustment</b>		<b>(19,254)</b>	<b>16,917</b>

For accounting years beginning on or after 1 January 2013, the expected return and the interest cost has been replaced with a single net interest cost, which effectively sets the expected return equal to the IAS19 discount rate (note 5g).

### 5c Benefit obligation reconciliation for the year to 31 March 2015

Changes in the present value of the defined benefit obligations are as follows:

	Year to 31 March 2015		Year to 31 March 2014	
	£000	£000	£000	£000
Opening defined benefit obligation		171,446		143,368
Service cost	5,639		4,635	
Losses/(gains) on curtailments	-		3	
Total Service Cost		5,639		4,638
Interest cost		7,694		6,449
Estimated benefits paid net of transfers in	(2,308)		(1,329)	
Contributions by Scheme participants	1,350		1,207	
Total Scheme Transactions		(958)		(122)
Changes in financial assumptions	15,425		12,652	
Changes in demographic assumptions	(8,181)		4,461	
Experience loss/(gain) on defined benefit obligation	(31,825)		-	
Total actuarial (gains)/losses		(24,581)		17,113
<b>Closing defined benefit obligation</b>		<b>159,240</b>		<b>171,446</b>

## 5d Fair value of scheme assets reconciliation for the year to 31 March 2015

Changes in the fair value of scheme assets are as follows:

	Year to 31 March 2015		Year to 31 March 2014	
	£000	£000	£000	£000
Opening fair value of scheme assets		119,639		108,478
Interest on Assets		5,439		4,949
Estimated benefits paid net of transfers in	(2,308)		(1,329)	
Employer contributions	3,438		3,141	
Contributions by scheme participants	1,350		1,207	
Total scheme transactions		2,480		3,019
Return on assets less interest		11,704		3,252
Other actuarial gains/(losses)		(12,531)		
Administration Expenses		(44)		(59)
<b>Closing defined benefit obligation</b>		<b>126,687</b>		<b>119,639</b>

## 5e Projected pension expense for the year to 31 March 2016

	Year to 31 March 2016
	£000
Service cost	5,528
Net interest on the defined liability	1,022
Administration Expenses	47
<b>Total</b>	<b>6,597</b>
Employer contributions	3,174

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2015.

## 5f Care Inspectorate fund assets

The table below provides details of the estimated asset allocation of the fund for the Care Inspectorate.

Asset class	Assets as at 31 March 2015		Assets as at 31 March 2014	
	£000	%	£000	%
Equities	89,712	71	90,926	76
Gilts	6,942	5	10,768	9
Other bonds	16,010	13	4,784	4
Property	12,629	10	10,768	9
Cash	1,394	1	2,393	2
<b>Total</b>	<b>126,687</b>	<b>100</b>	<b>119,639</b>	<b>100</b>

Based on the above, the Care Inspectorate's share of the assets of the fund is approximately 5%.

### 5g Financial assumptions as at 31 March 2015

The financial assumptions used for IAS19 calculations are below. These assumptions are set with reference to market conditions at 31 March 2015. The estimated duration of the Care Inspectorate's liabilities is 19 years. The discount rate is the annualised yield at the 19 year point on the Merrill Lynch AA rated corporate bond yield curve which has been chosen to meet the requirements of IAS19 and with consideration of the duration of the Care Inspectorate's liabilities.

The Retail Prices Index (RPI) increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England, specifically the 19 year point on the Bank of England market implied inflation curve. The RPI assumption used by the actuary is 3.2%. This is consistent with the approach used at the last accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, the actuary has made a further assumption about CPI which is that it will be 0.8% below RPI ie 2.4% per annum. The actuary believes this is a reasonable estimate for the future differences in the indices, based on the different calculation methods. Salary increases are then assumed to be 1.8% above RPI in addition to a promotional scale. However, the actuary has allowed for a short-term overlay from 31 March 2014 to 31 March 2016 for salaries to rise in line with CPI.

Assumptions as at	31 March 2015		31 March 2014		31 March 2013	
	% p.a.	real rate % p.a.	% p.a.	real rate % p.a.	% p.a.	real rate % p.a.
RPI increases	3.2	-	3.7	-	3.4	-
CPI increases	2.4	(0.8)	2.9	(0.8)	2.6	(0.8)
Salary increases	4.2	1.0	5.1	1.4	4.8	1.4
Pensions increases	2.4	(0.8)	2.9	(0.8)	2.6	(0.8)
Discount rate	3.3	0.1	4.5	0.8	4.5	1.1

### 5h Demographic/statistical assumptions

A set of demographic assumptions that are consistent with those used for the formal funding valuation as at 31 March 2014 have been adopted. The post retirement mortality tables used were the S2PA tables with a multiplier of 120%. These base tables are then projected using the CMI 2013 Model, allowing for a long term improvement of 1.5% per annum.

The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		31 March 2015	31 March 2014
Retiring today	Males	21.2	21.0
	Females	23.2	23.3
Retiring in 20 years	Males	23.4	23.2
	Females	25.5	25.6

The actuary has also made the following assumptions.

- Members will exchange half of their commutable pension for cash at retirement;
- Members will retire at one retirement age for all tranches of benefit, which will be pension weighted average tranche retirement age; and
- 10% of active members will take up the option under the new LGPS to pay 50% of contribution for 50% of benefits.

### 5i Sensitivity analysis

The following table sets out the impact of a change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	156,281	159,240	162,258
Projected service cost	5,416	5,528	5,643
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	159,888	159,240	158,595
Projected service cost	5,528	5,528	5,528
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	161,633	159,240	156,897
Projected service cost	5,644	5,528	5,414
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	153,387	159,240	165,138
Projected service cost	5,328	5,528	5,730

## 6 Analysis of operating costs

### Operating expenditure

	2014/15 £000	2013/14 £000
Property costs	3,368	3,416
Administration costs	1,714	1,756
Supplies & services	1,260	1,638
Transport costs	1,650	1,445
Pension administration costs (IAS 19)	44	59
Depreciation & amortisation of assets	241	210
Asset disposals	0	23
Changes in debt impairment allowance	18	(50)
	<b>8,295</b>	<b>8,497</b>

The above total includes £31.2k for external auditor's remuneration (2013/14 £30.9k) and £42.4k (2013/14 £33.1k) for internal auditor's remuneration. External audit received no fees in relation to non-audit work.

## 7 Property, plant and equipment

	2014/15			
	Information technology	Plant and equipment	Furniture and fittings	Total
	£000	£000	£000	£000
<b>Cost or Valuation:</b>				
At 1 April 2014	485	143	617	1,245
Additions	55	0	110	165
Disposals	0	0	(18)	(18)
<b>At 31 March 2015</b>	<b>540</b>	<b>143</b>	<b>709</b>	<b>1,392</b>
<b>Depreciation:</b>				
At 1 April 2014	(357)	(84)	(252)	(693)
Charged in year	(80)	(22)	(63)	(165)
Disposals	0	0	18	18
<b>At 31 March 2015</b>	<b>(437)</b>	<b>(106)</b>	<b>(297)</b>	<b>(840)</b>
<b>Net book value: At 31 March 2015</b>	<b>103</b>	<b>37</b>	<b>412</b>	<b>552</b>
At 31 March 2014	128	59	365	552

**Asset Financing:** All assets are owned

	2013/14			
	Information technology	Plant and Equipment	Furniture and Fittings	Total
	£000	£000	£000	£000
<b>Cost or Valuation:</b>				
At 1 April 2013	928	211	439	1,578
Additions	0	0	214	214
Disposals	(443)	(68)	(36)	(547)
<b>At 31 March 2014</b>	<b>485</b>	<b>143</b>	<b>617</b>	<b>1,245</b>
<b>Depreciation:</b>				
At 1 April 2013	(706)	(128)	(236)	(1,070)
Charged in year	(71)	(24)	(52)	(147)
Disposals	420	68	36	524
<b>At 31 March 2014</b>	<b>(357)</b>	<b>(84)</b>	<b>(252)</b>	<b>(693)</b>
<b>Net book value: At 31 March 2014</b>	<b>128</b>	<b>59</b>	<b>365</b>	<b>552</b>
At 31 March 2013	222	83	203	508

**Asset financing:** All assets are owned

## 8 Intangible assets

	2014/15		
	Information technology £000	Computer software licences £000	Total intangible assets £000
<b>Cost or valuation:</b>			
At 1 April 2014	319	21	340
Additions	66	0	66
Disposals	0	0	0
<b>At 31 March 2015</b>	385	21	406
<b>Amortisation:</b>			
At 1 April 2014	(178)	(21)	(199)
Charged in year	(76)	0	(76)
Disposals	0	0	0
<b>At 31 March 2015</b>	(254)	(21)	(275)
<b>Net book value:</b>			
<b>At 31 March 2015</b>	<b>131</b>	<b>0</b>	<b>131</b>
At 31 March 2014	141	0	141
	2013/14		
	Information technology £000	Computer software licences £000	Total intangible assets £000
<b>Cost or valuation:</b>			
At 1 April 2013	416	62	478
Additions	40	0	40
Disposals	(137)	(41)	(178)
<b>At 31 March 2014</b>	319	21	340
<b>Amortisation:</b>			
At 1 April 2013	(252)	(62)	(314)
Charged in year	(63)	0	(63)
Disposals	137	41	178
<b>At 31 March 2014</b>	(178)	(21)	(199)
<b>Net book value:</b>			
<b>At 31 March 2014</b>	<b>141</b>	<b>0</b>	<b>141</b>
At 31 March 2013	164	0	164

## 9 Trade and other receivables

	2014/15	2013/14
	£000	£000
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	1,143	1,172
Trade receivables	1,265	1,393
Other receivables	675	371
	<u>1,940</u>	<u>1,764</u>
	<b><u>3,083</u></b>	<b><u>2,936</u></b>

Trade and other receivables are non-interest bearing. Credit terms are generally 30 days. Trade and other receivables are recorded at fair value, reduced by appropriate allowances for estimated irrecoverable amounts. There are no amounts receivable after more than one year.

	2014/15	2013/14
	£000	£000
<b>Provision for impairment of receivables:</b>		
As at 1 April	(15)	(65)
Charge for the year	(49)	(43)
Unused amounts reversed	3	28
Uncollectable amounts written off	28	65
As at 31 March	<u><b>(33)</b></u>	<u><b>(15)</b></u>

As at 31 March 2015, trade and other receivables of £33k (2013/14 £15k) were past due and impaired. The amount of the provision was £33k (2013/14 £15k). The aging analysis of these receivables is as follows:

	2014/15	2013/14
	£000	£000
Up to 3 months past due	6	2
3 to 6 months past due	4	3
Over 6 months past due	7	5
Over 12 months past due	16	5
	<u><b>33</b></u>	<u><b>15</b></u>

As at 31 March 2015, trade and other receivables of £1,940k (2013/14 £1,764k) were due but not impaired. The aging analysis of these receivables is as follows:

	2014/15	2013/14
	£000	£000
Not yet due	1,583	1,366
Up to 3 months past due	123	195
3 to 6 months past due	32	46
Over 6 months past due	103	81
Over 12 months past due	99	76
	<u><b>1,940</b></u>	<u><b>1,764</b></u>

**Analysis of trade and other receivables:**

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Bodies external to government	2,328	2,462
Other central government bodies	677	393
Local authorities	78	77
NHS bodies	0	4
	<b>3,083</b>	<b>2,936</b>

**10 Cash and cash equivalents**

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Balance as at 1 April	1,767	1,517
Net change in cash and cash equivalent balances	(35)	250
Balance as at 31 March	<b>1,732</b>	<b>1,767</b>

The following balances as at 31 March were held at:

Government Banking Service	1,538	1,600
Commercial banks and cash in hand	194	167
Balance as at 31 March	<b>1,732</b>	<b>1,767</b>

**11 Trade and other payables**

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Trade payables	1,754	1,528
Accruals and deferred income	792	1,410
VAT	0	30
Other taxation and social security	574	514
Other payables	491	28
	<b>3,611</b>	<b>3,510</b>

**Amounts falling due after more than one year:**

Early departure cost liability transferred from SWIA	109	136
Future property dilapidations	13	13
	<b>122</b>	<b>149</b>

**Analysis of trade and other payables:**

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
<b>Due within one year:</b>		
Bodies external to government	2,394	2,220
Other central government bodies	687	771
Local authorities	479	445
NHS bodies	51	74
	<b>3,611</b>	<b>3,510</b>

**Falling due after more than one year:**

Bodies external to government	13	13
Other central government bodies	109	136
	<b>122</b>	<b>149</b>

The additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) benefits in respect of employees who retired early were met by paying the required amounts to the PCSPS over the period between early departure and normal retirement date. This was provided for in full when the early retirement programme became binding by establishing a liability for the estimated payments.

Our Hamilton office sub tenant prepaid dilapidations costs at the end of their lease period. These dilapidations will become payable at the end of our lease period in 2016/17.

**12 Grants from Scottish Government**

<b>Scottish Government grants</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Grant-in-aid funding	22,158	21,641
Other Scottish Government grant	274	253
<b>Total grants from Scottish Government</b>	<b>22,432</b>	<b>21,894</b>

**13 Capital commitments**

Contracted capital commitments not otherwise included in these financial statements

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Property, plant and equipment	<b>9</b>	<b>10</b>

## 14 Commitments under leases

### 14a Operating leases

The total future minimum lease payments under operating leases are shown below. The commitments are shown net of VAT.

	2014/15	Restated 2013/14
	£000	£000
<b>Obligations under operating leases comprise:</b>		
Buildings:		
Within 1 year	1,238	1,338
Within 2 to 5 years	2,914	3,901
Beyond 5 years	1,429	2,324
	<b>5,581</b>	<b>7,563</b>
Other:		
Within 1 year	136	135
Within 2 to 5 years	119	101
	<b>255</b>	<b>236</b>

The 2013/14 obligations under operating leases for buildings has been restated as the prior period figures included VAT for some of the buildings.

### 14b Operating Lease Receivables

The Care Inspectorate provides shared services to the Scottish Social Services Council (SSSC) and the Office of the Scottish Charities Regulator (OSCR). Shared services relating to the provision of facilities, information and communications technology (ICT) and administration services are disclosed as lease arrangements. Sub lease arrangements are also in place with the Scottish Government.

Anticipated rental commitments under operating leases are shown in the table below. The rental commitments are shown net of VAT.

<b>Commitments under operating leases comprise:</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Buildings:		
Within 1 year	838	970
Within 2 to 5 years	2,511	3,011
Beyond 5 years	1,917	3,052
	<b>5,266</b>	<b>7,033</b>
Other:		
Within 1 year	376	206
Within 2 to 5 years	1,506	823
Beyond 5 years	1,150	834
	<b>3,032</b>	<b>1,863</b>

In Dundee, our buildings are shared with the Scottish Social Services Council and the Office of the Scottish Charities Regulator. The anticipated rental commitments are based on these lease arrangements continuing until the end of the lease terms.

#### 14c Finance leases

There are no obligations or commitments under finance leases.

#### 15 Sources of financing

General Reserve s 2013/14 £000		Revenue Transactions 2014/15 £000	Capital Transaction s 2014/15 £000	General Reserve 2014/15 £000
1,606	Opening balance	1,044	693	1,737
(38,680)	Surplus/(deficit) for the year	(2,909)	(241)	(3,150)
16,917	Adjustment between accounting basis and funding basis for actuarial pension valuation adjustments	(19,254)	0	(19,254)
(20,157)	Total before grants	(21,119)	452	(20,667)
21,641	Grant-in-aid funding	21,927	231	22,158
253	Other government grants	274	0	274
21,894	Total grants	22,201	231	22,432
<b>1,737</b>	<b>Total reserves</b>	<b>1,082</b>	<b>683</b>	<b>1,765</b>

#### 16 Contingent liabilities

There were no contingent liabilities identified as at 31 March 2015.

#### 17 Related-party transactions

The Care Inspectorate is a non-departmental public body sponsored by the Scottish Government Health and Social Care Integration Directorate. The Care Inspectorate has shared services arrangements with the Scottish Social Services Council and the Office of the Scottish Charities Regulator. In addition, the Care Inspectorate sub-lets accommodation to Scottish Government. There are no other bodies or organisations that are regarded as related parties with which the Care Inspectorate has had material transactions during the year.

A register of interests is maintained and updated annually. None of the Board members or key managerial staff have undertaken material transactions with the Care Inspectorate during the year.

<b>Related party</b>	<b>2014/15 £000</b>	<b>2013/14 £000</b>
Scottish Social Services Council	961	933
Office of the Scottish Charities Regulator	130	122
Scottish Government	219	216
<b>Total</b>	<b>1,310</b>	<b>1,271</b>

### **18 Post statement of financial position events**

There were no events after the statement of financial position date relating to the 2014/15 financial year.

### **19 Losses statement**

There were no losses or special payments made in the year.

# **Appendix One: Accounts Direction by the Scottish Ministers**



## SOCIAL CARE AND SOCIAL WORK IMPROVEMENT SCOTLAND

### DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of section 14(1) of Schedule 11 of the Public Services Reform (Scotland) Act 2010 hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2012, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

*Gen (L) L*

Signed by the authority of the Scottish Ministers

Dated 1 June 2012

## **Appendix Two: Board and committees**

The Care Inspectorate Board is normally made up of a Chair and 11 members. Due to a retiral, at 31 March 2015 the Board comprised a Chair and 10 members. The Board and Chair were appointed by Scottish Ministers through open competition.

The following members served on the Board during 2014/15.

### **Paul Edie, Chair**

Paul Edie has served as a Liberal Democrat Councillor in Edinburgh since 1994. From 2007 he served as Convener of Health, Social Care and Housing Committee and as a Non-Executive Director of NHS Lothian for that time. He was also a Member of the Lothian and Border Community Justice Partnership. Prior to becoming a full-time councillor, Paul worked with the Scottish National Blood Transfusion Service, mainly in quality assurance.

### **Anne Haddow**

Anne looks after her daughter who has profound physical and intellectual disabilities. She was Vice Chair of the Princess Royal Trust Fife Carers Centre and is currently a family member of PAMIS, an organisation that provides support for people with profound and multiple learning disabilities, their family and paid carers. Dr Haddow was a member of the Scottish Social Services Council. She is involved in health and social work groups, which aim to deliver high quality services to people with disabilities and their families.

### **Cecil Meiklejohn**

Cecil has worked voluntarily with disabled people to design and develop their own enabling services. In her working life, Mrs Meiklejohn has worked in a local authority as a services provider, assessing people with particular needs and delivering appropriate interventions, mainly housing assessments, advice, information and adaptations. As a current elected member with Falkirk Council, she also has experience of working with committees, scrutiny and governance. Mrs Meiklejohn brings strong skills in analysis, engagement and listening, along with extensive experience both as a carer for her partner who had complex needs and as user and a provider of services.

### **David Wiseman**

David started his social care career as a care officer in a home for older people before going on to work for Strathclyde Region in a variety of positions. He then joined South Lanarkshire Council, as Head of Strategic Services in the Social Work Department, where he also had responsibility for the Registration and Inspection Unit. Following a period of secondment to COSLA, he returned to South Lanarkshire as Head of Older People's Services before joining the Care Commission as Director of Operations in February 2002, becoming the Director of Strategic Development and Depute Chief Executive of the Care Commission in 2005. After a period as Acting Chief Executive of the Care Commission he retired in 2011.

Mr Wiseman is a Trustee/Director of the UK- wide Residential Forum, a charity whose purpose is to promote the achievement of high standards of care for children and adults in care homes and schools, and to contribute to improving the quality of service to the public. He is a Board member of another charity, the Institute for Research and Innovation in Social Services (IRISS). Mr Wiseman brings strong skills in analysis and challenging constructively, strategic business planning, community development and a good understanding of developing new risk based approaches to scrutiny.

### **Denise Coia**

Dr Denise Coia is Chair of Healthcare Improvement Scotland and a Board Member of The Care Inspectorate in Scotland. She is also Chair of General Medical Council Quality Scrutiny Group in London.

A psychiatrist by background she was previously Senior Principal Medical Officer Mental Health (2006- 2011) to Scottish Government, Mental Health Advisor to Greater Glasgow Health Board (1998 – 2006). She has a long-standing interest in professional and service regulation and was Vice President of the Royal College of Psychiatrists (UK), Chair of the Royal College of Psychiatrists Scotland, Secretary of the Academy of Royal Medical Colleges in Scotland and Board member of the Allied Health Professions Council UK.

Her research interests have been in supporting individual and families of those with schizophrenia and she was Medical Advisor to the National Schizophrenia fellowship in Scotland. She has supported the work of young researchers through her position as a former Board member of Medical Research Scotland.

### **Michael Cairns**

Michael has extensive experience as a social work practitioner and manager in local authorities in Scotland and England. He has also worked in the voluntary sector as Director for Age Concern and Director of RNIB Scotland. He was seconded from RNIB to Scottish Government from 2004 to 2007 to help coordinate the review of community eye care services. For the past three years he has been a member of the Scottish Social Services Council. Mr Cairns has broad experience of managing and developing services in the statutory and voluntary sectors and brings strong financial and risk management knowledge to this role. He has strong experience of change management and possesses strong skills in influencing, engagement, persuasion and analysis.

### **Sally Witcher OBE**

Sally has wide-ranging experience in the fields of equality and social inclusion, child poverty, disability and independent living. She has senior-level management and leadership experience gained in both public and voluntary sectors and as an advisory body Chair, with the UK Government's Disability Employment Advisory Committee.

Dr Witcher is Chief Executive of Inclusion Scotland. Previous roles include Deputy Director in the Office for Disability Issues with the Department of Work and Pensions, Director of the Child Poverty Action Group and Campaign Worker for Disability Alliance. She has a doctorate on social inclusion and diversity and has been a member of many research advisory bodies, including the Centre for Analysis of Social Exclusion at the London School of Economics. As a disabled person, she is a user of social care services. She was awarded an OBE in 2006 for services to disabled people. Dr Witcher brings to this role high-level skills in communication, team working and challenging constructively along with a strong ability to deal with complexity, a strong user focus and a commitment to reflect the social needs of disabled people in the business of the Care Inspectorate.

Sally's term as a Care Inspectorate Board member ended on 28 February 2015.

### **Ian Doig**

Ian Doig is an experienced non-executive Board member. He is committed to developing the effectiveness and accountability of public bodies and to the modernisation of public services. His practical experience includes strategy development, financial management, audit committees and risk management. He is experienced in building partnership working between public services, partnerships at the interface between the public, private and charity sectors and with professional bodies.

Ian has served as a non-executive director on a range of Scottish Government bodies, including the Scottish Environment Protection Agency, the National Records of Scotland, the Scottish Court Service and the Scottish Social Services Council. He is a Chartered Public Finance Accountant and admitted member of the Chartered Institute of Public Finance and Accountancy and the Association of Chartered Certified Accountants. Previously he held executive posts as CIPFA Director for Scotland and senior finance directorate posts with a range of local authorities.

### **Professor James McGoldrick**

Professor James McGoldrick was appointed as Convener of the Scottish Social Services Council in August 2013. He was Chairman of the Fife NHS Board and Vice Chair of the Fife Community Planning Partnership Board until the end of April 2013. He has also served as a Member on the NHS National Services Scotland Board and Scottish Higher Education Funding Council. He was the Vice Principal of the University of Abertay and Professor of Human Resource Management at Nottingham Business School. He is a Chartered Companion of the Chartered Institute of Personnel and Development (previously serving as Vice President) and retains an active academic interest in strategic human resource development. He is a leadership and management consultant in health and higher education and a key associate of the Leadership Foundation for Higher Education.

### **Anne Houston**

Anne brings to the Board over 39 years of experience in social care organisations. Anne was formerly Chief Executive of Children 1<sup>ST</sup>, a leading Scottish child welfare charity. Her particular area of expertise is in work with children and young people including child protection and early years/early intervention and she was a member of the Scottish Government Early Years Task Force from its inception until she retired from CHILDREN 1<sup>ST</sup> in June 2014.

A qualified social worker, Anne has worked in the voluntary and statutory sectors in Scotland and England, managing young offenders, children and families and mental health teams. She brings extensive experience of boards – from 'both sides' – as a chief executive and as a board member, having served on a variety of boards and trusts. Anne also brings a passion for ensuring that feedback from those who rely on social care services is listened to and acted upon. She is currently Independent Chair of North Ayrshire's Child Protection Committee, Chair of the Scottish Child Protection Committee Chairs' Forum, and Vice Chair of the Cattanach Charitable Trust.

### **Christine Dunlop**

Christine is a registered mental health nurse and has worked in various hospital based mental health and learning disability services. After leaving the NHS, Christine gained experience both in nursing homes and supported living services and is currently employed in a senior management role with a private health and social care provider organisation. She has 20 years of experience of devising, implementing and delivering innovative solutions to meet the identified needs of individuals with complex needs in community based settings.

Christine brings to the Board a proven record and a positive reputation in the management of care services and workforce ensuing positive outcomes for individuals with complex and multiple support needs. Christine has completed advanced studies in medical law and ethics and has an active interest in ensuring the rights of vulnerable adults are promoted and respected. Christine also brings to the Board a wealth of experience in engaging with health and social care professionals and multi-disciplinary primary care teams.

### **Linda Pollock**

Linda brings to the Board experience in the public sector in clinical, research, teaching and management roles, and from high profile leadership roles as an NHS Executive Nurse Director and a Mental Welfare Commissioner where she influenced national policy direction. Since retiring, Linda has continued with governance and scrutiny work with the Accounts Commission, the Nursing and Midwifery Council and Scottish Legal Complaints Commission.

Linda is passionate about improving the delivery and provision of high quality and joined-up services in the community and primary care to vulnerable people. This underpinned the work that she did with Enable and underlies the work she currently does with Pain Concern (setting up two weekly radio

programmes, and evaluative research), NHS Education, and as an Associate with the Dementia Services Development Centre. Linda is also a Trustee with the Queen's Nursing Institute of Scotland. Linda has also been an informal carer for a mother with dementia, and worked with the local advocacy services, and the Office of the Public Guardian to enhance her care.

### **Board Subcommittees**

There are five Board sub-committees.

#### **Policy Committee\***

Convener: Paul Edie  
Members: Mike Cairns  
Anne Haddow  
Anne Houston  
David Wiseman

\* The Policy Committee replaced the Strategy and Performance Committee with effect from 27 June 2014.

#### **Resources Committee**

Convener: David Wiseman  
Members: Ian Doig  
Christine Dunlop  
Linda Pollock  
Sally Witcher

#### **Audit Committee**

Convener: Mike Cairns  
Members: Ian Doig  
Christine Dunlop  
Cecil Meiklejohn  
Linda Pollock  
David Wiseman  
Sally Witcher

#### **Remuneration Committee**

Convener: Paul Edie  
Members: Mike Cairns  
David Wiseman

#### **Complaints Committee**

Convener: Anne Haddow  
Members: Mike Cairns  
Anne Houston  
Cecil Meiklejohn  
Sally Witcher

## Appendix Three: Key Performance Indicators 2014/2015

Key Performance Indicator (KPI)	Purpose	Reporting frequency	Source
<b>KPI 1</b> KPI1a: % required inspections (as per approved inspection plan) completed KPI1b: % inspections completed by last possible date of inspection KPI1c: inspections completed as a % of total planned inspections (excluding cancelled and inactive services)	Demonstrates the Care Inspectorate's performance against our inspection targets. Note, KPI1a is the headline measure reported in this annual report.	Annually Monthly Monthly	Inspection reports (IRT) and Inspection Plan (WMT)
<b>KPI 2:</b> % of inspections completed that were additional to our inspection plan	To demonstrate the additional focus the CI has on poorer quality services	Quarterly	Inspection reports (IRT)
<b>KPI 3:</b> % of requirements met within the timescales set by the Care Inspectorate	To measure improvements in quality of service and impact of Care Inspectorate. This will demonstrate how successful requirements are in influencing providers to improve the quality of their service.	Quarterly	Inspection Reports (IRT)
<b>KPI 4:</b> % of efficiency savings achieved	to demonstrate sound financial management and value for money	Annually	Financial records
<b>KPI 5:</b> % of complaints investigated about the Care Inspectorate that were completed within 20 working days	To demonstrate the CIs prompt response to complaints about its work	Quarterly	PMS
<b>KPI 6:</b> % of registration and complaints	These measures demonstrate the	Monthly	PMS

Key Performance Indicator (KPI)	Purpose	Reporting frequency	Source
activities completed within specific timescales (complaints about services & CI acknowledged within 3 days; complaints about services registered within 12 days ;complaints about services completed within 40 days; registrations completed within 3 months for childminders and 6 months for other care services)	efficiency of the Care Inspectorate in dealing with two of its key processes – complaints and registrations.		

Quality Indicator (QI)	Focus
QI 1: Improvements to the quality of care	The quality and effectiveness of the Care Inspectorate’s work in supporting improvement in the quality of quality of care, support and protection provided to children and adults throughout Scotland who use services, their families and carers and the wider public.
QI 2: Involving people who use services and their carers	Involving children and adults throughout Scotland who use services, their families and carers and the wider public in the design and delivery of our scrutiny functions (Duty of User focus – S. 112 PSR Act 2010).
QI 3: Partnership working	Partnership working and how we work together in an atmosphere of mutual trust and respect to improve the quality of care, support and protection provided to children and adults throughout Scotland who use services, their families and carers and the wider public (Duty of Cooperation S 114 PSR Act 2012).
QI 4: Best value	Best Value - developing, implementing and reviewing our strategies and policies, and managing our resources effectively.
QI 5: Staff experience	Staff experience – developing and deploying our staff in line with corporate aims and objectives.
QI 6: Leadership and direction	Leadership and Direction - Developing our vision, values and principles and acting as role models.
QI 7: Quality assurance and improvement	Our Quality assurance and improvement processes.

## Appendix Four: Statistical information

### 1. Registration

The following table shows the number of services, and places in, registered care services at the end of the annual report period. Some categories of service, such as agencies, housing support and care at home (domiciliary care), are registered to provide a service rather than a specific number of places.

#### 31 March 2015: number of registered care services and places offered by service type

Type of care service	number of services	% of all services	Number of registered places	% of all places	Average places per service	Highest places per service
Adoption service*	39	0.28%				
Adult placement service*	39	0.28%				
Care home service	1473	10.53%	43530	17.84%	29.6	225
Childcare agency*	28	0.20%				
Childminding	5993	42.86%	36951	15.14%	6.2	26
Daycare of children	3746	26.80%	158145	64.79%	42.2	425
Fostering service*	62	0.44%				
Housing support service*	1074	7.68%				
Nurse agency*	41	0.29%				
Offender accommodation service	6	0.04%	66	0.03%	11.0	16
School care accommodation service	63	0.45%	5281	2.16%	83.8	602
Secure accommodation service	5	0.04%	91	0.04%	18.2	24
Support service*	1413	10.11%				
<b>Total</b>	<b>13982</b>	<b>100.0%</b>	<b>244064</b>	<b>100.0%</b>	<b>21.6</b>	<b>602</b>

(Source: PMS 1 April 2015)

Notes: We use a computer system called the Practice Management System (PMS), to hold the registration and complaints data we collect about care services. Much of the information we use in this report is taken from the PMS.

\* These services are registered to provide the service and no limits are placed on the volume of service users or places they have, therefore this information is not applicable.

### 31 March 2015: number of registered care services by sector

Type of care service	Health Board		Local Authority		Private		Voluntary or Not for Profit		Total Services	Total %
	Services	%	Services	%	Services	%	Services	%		
Adoption Service		0.0%	32	82.1%		0.0%	7	17.9%	39	100.0%
Adult Placement Service		0.0%	27	69.2%		0.0%	12	30.8%	39	100.0%
Care Home Service	19	1.3%	278	18.9%	788	53.5%	388	26.3%	1473	100.0%
Child Care Agency		0.0%	1	3.6%	14	50.0%	13	46.4%	28	100.0%
Childminding		0.0%		0.0%	5993	100.0%		0.0%	5993	100.0%
Day Care of Children	3	0.1%	1728	46.1%	1095	29.2%	920	24.6%	3746	100.0%
Fostering Service		0.0%	32	51.6%		0.0%	30	48.4%	62	100.0%
Housing Support Service	6	0.6%	187	17.4%	218	20.3%	663	61.7%	1074	100.0%
Nurse Agency		0.0%		0.0%	38	92.7%	3	7.3%	41	100.0%
Offender Accommodation Service		0.0%	2	33.3%		0.0%	4	66.7%	6	100.0%
School Care Accommodation Service		0.0%	7	11.1%	37	58.7%	19	30.2%	63	100.0%
Secure Accommodation Service		0.0%	1	20.0%	1	20.0%	3	60.0%	5	100.0%

Type of care service	Health Board		Local Authority		Private		Voluntary or Not for Profit		Total Services	Total %
	Services	%	Services	%	Services	%	Services	%		
Support Service	25	1.8%	367	26.0%	374	26.5%	647	45.8%	1413	100.0%
Grand Total	53	0.4%	2662	19.0%	8558	61.2%	2709	19.4%	13982	100.0%

(source: PMS 1 April 2015)

### 31 March 2015: number of care providers by category of care service

Type of care service	Number of providers of services	Max number of services per provider	Total number of services
Adoption service	39	1	39
Adult placement service	29	3	39
Care home service	559	42	1473
Childcare agency	24	3	28
Childminding	5993	1	5993
Daycare of children	1522	169	3746
Fostering service	58	3	62
Housing support service	459	25	1074
Nurse agency	38	4	41
Offender accommodation service	5	2	6
School care accommodation service	50	8	63
Secure accommodation service	5	1	5
Support service	546	31	1413

Type of care service	Number of providers of services	Max number of services per provider	Total number of services
<b>Any type of care service</b>	8621**	220*	13982

(Source: PMS 1 April 2015)

**Notes**

\* While many providers may run only one service (usually the case with childminders) others run many services and categories of service. This figure means that one provider was operating 220 services across several categories of service at the end of the year.

\*\* Because some providers operate services in more than one category, the total number of providers is less than the sum of the number of providers within each category.

### Changes to registered services from 31 March 2014 to 31 March 2015

Type of care service	Services at 31 March 2014 (revised)	Registrations	Cancellations	Services at 31 March 2015	% change
Adoption service	39			39	0.0%
Adult placement service	39			39	0.0%
Care home service	1496	41	64	1473	-1.5%
<i>of which: Care homes for older people</i>	897	24	35	886	-1.2%
Childcare agency	32	1	5	28	-12.5%
Childminding	6115	612	734	5993	-2.0%
Daycare of children	3767	132	153	3746	-0.6%
Fostering service	61	1		62	1.6%
Housing support service	1050	67	43	1074	2.3%
Nurse agency	41	5	5	41	0.0%
Offender accommodation service	8		2	6	-25.0%
School care Accommodation service	67	1	5	63	-6.0%
Secure accommodation service	5			5	0.0%
Support service	1352	128	67	1413	4.5%
<b>All types of care service</b>	<b>14072</b>	<b>988</b>	<b>1078</b>	<b>13982</b>	<b>-0.6%</b>

(Source: PMS 1 April 2015)

## 2. Complaints

### Complaints we received, registered and completed in 2014/15

	Received	Registered	Completed
Registered service	4436	2037	1992
Care Inspectorate	69	31	28
<b>All complaints</b>	<b>4505</b>	<b>2068</b>	<b>2020</b>

(Source: PMS 13 April 2015)

### Complaints against registered services in 2014/15

Type of care service	complaints completed	% of all complaints completed	Number upheld or partially upheld	Upheld or partially upheld as % of all complaints	Upheld or partially upheld per 1,000 services <sup>(1)</sup>	Upheld or partially upheld per 1,000 places <sup>(1, 2)</sup>
Adoption service	1	0.05%				
Adult placement service	1	0.05%	1	100.0%		
Care home service	933	46.84%	562	60.2%	381.5	12.9
Childcare agency	1	0.05%				
Childminding	175	8.79%	92	52.6%	15.4	2.5
Daycare of children	431	21.63%	202	46.9%	53.9	1.3
Fostering service	9	0.45%	7	77.8%	112.9	
Housing support service	102	5.12%	59	57.8%	54.9	
Nurse agency	4	0.20%	2	50.0%		
Offender accommodation service		0.00%				
School care accommodation service	25	1.26%	17	68.0%	269.8	3.2
Secure accommodation service	2	0.10%	1	50.0%		
Support service	308	15.46%	204	66.2%	144.4	
<b>Total</b>	<b>1992</b>	<b>100.0%</b>	<b>1147</b>	<b>57.6%</b>	<b>82.0</b>	<b>4.7</b>

(Source: PMS 13 April 2015)

**Notes:**

(1) Figures based on fewer than ten upheld complaints are represented in italics and should be interpreted with caution. Figures based on fewer than 5 cases are excluded from the table.

(2) The total rate per 1,000 places does not include complaints made against adult placement services childcare agencies, fostering services, adoption services, nurse agencies, housing support services, support services or service providers as these types of services are not all based on places available.

**Services that had complaints upheld against them in 2014/15**

	Number of different services	% of registered services
Number of services with at least one complaint upheld	748	5.3%
Number of services with more than one complaint upheld	216	1.5%
Number of services with more than two complaints upheld	88	0.6%
Maximum number of complaints upheld against a service	9	

(Source: PMS 13 April 2015)

**Area of complaint (based on each individual sub-complaint outcome that was upheld) in 2014/15**

Area of Complaint	Number	%
General health and welfare	630	21.3%
Communication - between staff and service users/relatives/carers	248	8.4%
Staff - levels	207	7.0%
Healthcare - Medication Issues	139	4.7%
Policies and procedures - complaints procedure	125	4.2%
Staff - training / qualifications	121	4.1%
Staff - other	119	4.0%
Healthcare - Nutrition	78	2.6%
Communication - other	78	2.6%
Environment - fitness of premises / environment	74	2.5%
Healthcare - Infection Control Issues	71	2.4%
Environment - other	71	2.4%
Record keeping - personal plans/ agreements	68	2.3%

<b>Area of Complaint</b>	<b>Number</b>	<b>%</b>
Healthcare - Inadequate Healthcare or Healthcare Treatment	65	2.2%
Healthcare - Continence Care	62	2.1%
Choice - activities	57	1.9%
Record keeping - other	50	1.7%
Staff - recruitment procedures (including Disclosure Checks)	48	1.6%
Choice - care and treatment	45	1.5%
Healthcare - Tissue Viability	44	1.5%
Healthcare - Hydration	42	1.4%
Policies and procedures - other	41	1.4%
Choice - other	38	1.3%
Conditions of registration - exceeding capacity	32	1.1%
Conditions of registration - other	29	1.0%
Protection of people - children	27	0.9%
Privacy and Dignity	26	0.9%
Property - care of	26	0.9%
Communication - information about the service	26	0.9%
Environment - security	25	0.8%
Choice - dignity and privacy	23	0.8%
Protection of people - adults	23	0.8%
Environment - inadequate facilities	23	0.8%
Staff - other fitness issues	15	0.5%
Property - loss of/missing	13	0.4%
Food - choice	13	0.4%
Care Commission - communication	11	0.4%
Healthcare - Oral health	11	0.4%
Food - quality	11	0.4%
Healthcare - Palliative Care	10	0.3%
Food - other	10	0.3%
Food - availability	8	0.3%
Protection of people - other	7	0.2%
Care Commission - efficiency	7	0.2%
Protection of people - restraint	6	0.2%
Access - to other services e.g. Advocacy/Health	6	0.2%
Property - other	6	0.2%

<b>Area of Complaint</b>	<b>Number</b>	<b>%</b>
Protection of people - policies and procedures	5	0.2%
Staff - registration with professional bodies	5	0.2%
Healthcare - Mental Health Care	5	0.2%
Communication - language difficulties	4	0.1%
Financial Issues	4	0.1%
User participation - in managing/developing the service	3	0.1%
User participation - other	3	0.1%
Access - other	3	0.1%
Care Commission - conduct	3	0.1%
Death and dying	3	0.1%
Staff - unfit to work with vulnerable people	2	0.1%
Healthcare - Clinical Governance	2	0.1%
Choice - service not meeting religious, cultural, faith, social needs	1	0.0%
Choice - service not meeting religious social needs	1	0.0%
Grand Total	2960	100.0%

(Source: PMS 13 April 2015)

**2014/15 – Summary of areas of complaint (based on sub complaints that were upheld)**

Summary area of complaint	number	%
General health and welfare	630	21.3%
Healthcare	529	17.9%
Staff	517	17.5%
Communication	356	12.0%
Environment	193	6.5%
Policies & procedures	166	5.6%
Choice	165	5.6%
Record keeping	118	4.0%
Protection of people	68	2.3%
Conditions of registration	61	2.1%
Property	45	1.5%
Food	42	1.4%
Privacy and Dignity	26	0.9%
Care Inspectorate	21	0.7%
Access	9	0.3%
Service user participation	6	0.2%
Financial Issues	4	0.1%
Death and dying	3	0.1%
social needs	1	0.0%
<b>Total number of sub-complaints upheld</b>	2960	100.0%

(Source: PMS 13 April 2015)

### 3. Enforcements

#### Number of enforcement notices issued 2014/15

Type of care service	S62 Improvement Notice	S64 Proposal to cancel	S73 Decision to cancel	S66 Proposal to impose/vary/remove conditions	S73 (Decision to impose /vary/remove conditions)	S67 Emergency condition notice	S65 Emergency cancellation	Total
Care Home Service	12				2	2		16
Childminding	1				1	1	1	5
Childminding PVG checks	92							92
Day Care of Children	8	2						10
Support Service			2					2
<b>Total</b>	<b>113</b>	<b>4</b>			<b>3</b>	<b>3</b>	<b>1</b>	<b>125</b>

#### Number of services\* that had enforcement notices issued against them 2014/15

Type of care service	S62 Improvement Notice	S64 Proposal to cancel	S73 Decision to cancel	S66 Proposal to impose/vary/remove conditions	S73 (Decision to impose /vary/remove conditions)	S67 Emergency condition notice	S65 Emergency cancellation	Total
Care Home Service	12			2	2			12
Childminding	1			1	1	1	1	4
Childminding PVG checks	92							92
Day Care of Children	8	2						9
Support Service			1					1
<b>Total</b>	<b>113</b>	<b>3</b>		<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>118</b>

### Number of services\* that had enforcement notices issued against them 2014/15, by sector

Type of care service	Local Authority	Private	Voluntary or Not for Profit	Total number of services that received a notice
Care Home Service		12		12
Childminding		4		4
Childminding PVG checks		92		92
Day Care of Children	1	7	1	9
Support Service		1		1
<b>Total</b>	<b>1</b>	<b>116</b>	<b>1</b>	<b>118</b>

(Source: enforcement dataset 10/06/2015)

**Notes:**

These tables do not include enforcement procedures we use to cancel services if we cannot contact them any longer or procedures relating to inactive services.

**The 92 S62 notices relating to outstanding PVG checks issued to childminders is expected to be a temporary increase in the number of enforcement actions and are therefore shown separately .**

The section numbers 62, 64, 73, 66, 67 and 65 in the table refer to sections of the Public Services Reform (Scotland) Act 2010.

\* Some services will have had more than one notice issued, for example 16 notices were issued against 12 different Care Homes.

#### 4. Quality of registered services at 31 March 2015

##### Summary of grades by service type at 31 March 2015

Note: all grades are from inspection reports finalised by 31 March 2015.

##### Theme 1: quality of care and support

##### % of services with each grade

	Unsatisfactory	Weak	Adequate	Good	Very good	Excellent
Adoption Service	0.0%	5.1%	2.6%	33.3%	51.3%	7.7%
Adult Placement Service	0.0%	0.0%	2.6%	36.8%	47.4%	13.2%
Care Home Service	0.1%	3.5%	15.2%	37.6%	38.9%	4.7%
Child Care Agency	0.0%	0.0%	3.7%	37.0%	51.9%	7.4%
Childminding	0.1%	0.3%	3.3%	31.5%	57.3%	7.5%
Day Care of Children	0.1%	0.8%	4.5%	30.0%	58.1%	6.6%
Fostering Service	0.0%	1.6%	4.9%	34.4%	55.7%	3.3%
Housing Support Service	0.3%	0.9%	8.8%	26.6%	53.8%	9.7%
Nurse Agency	0.0%	0.0%	15.6%	21.9%	56.3%	6.3%
Offender Accommodation Service	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
School Care Accommodation Service	0.0%	1.6%	4.8%	30.2%	44.4%	19.0%
Secure Accommodation Service	0.0%	0.0%	0.0%	60.0%	0.0%	40.0%
Support Service	0.2%	0.9%	9.6%	30.1%	49.0%	10.2%
Grand Total	0.1%	1.0%	6.0%	31.3%	54.2%	7.4%

(Source: CI grades at 31 March 2015 extract 01 April 2015)

**Theme 2: quality of environment**  
**% of services with each grade**

	<b>Unsatisfactory</b>	<b>Weak</b>	<b>Adequate</b>	<b>Good</b>	<b>Very good</b>	<b>Excellent</b>
Care Home Service	0.1%	2.6%	14.8%	38.2%	40.5%	3.6%
Childminding	0.1%	0.4%	3.3%	34.4%	56.6%	5.3%
Day Care of Children	0.1%	0.9%	4.2%	37.5%	53.8%	3.6%
Offender Accommodation Service	0.0%	0.0%	0.0%	0.0%	80.0%	20.0%
School Care Accommodation Service	0.0%	1.6%	1.6%	28.6%	55.6%	12.7%
Secure Accommodation Service	0.0%	0.0%	0.0%	60.0%	20.0%	20.0%
Support Service	0.0%	0.6%	5.6%	32.3%	54.2%	7.3%
Grand Total	0.1%	0.9%	5.2%	35.8%	53.4%	4.7%

(Source: CI grades at 31 March 2015 extract 01 April 2015)

**Theme 3: quality of staffing**  
**% of services with each grade**

	Unsatisfactory	Weak	Adequate	Good	Very good	Excellent
Adoption Service	0.0%	0.0%	2.6%	33.3%	61.5%	2.6%
Adult Placement Service	0.0%	0.0%	7.9%	44.7%	42.1%	5.3%
Care Home Service	0.1%	2.2%	14.7%	37.6%	42.3%	3.1%
Child Care Agency	0.0%	0.0%	3.7%	44.4%	44.4%	7.4%
Childminding	2.4%	1.8%	10.1%	40.8%	40.2%	4.7%
Day Care of Children	0.1%	0.7%	4.2%	31.9%	57.8%	5.4%
Fostering Service	0.0%	0.0%	3.3%	28.3%	65.0%	3.3%
Housing Support Service	0.2%	0.7%	8.3%	28.9%	53.5%	8.4%
Nurse Agency	0.0%	0.0%	18.8%	28.1%	43.8%	9.4%
Offender Accommodation Service	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
School Care Accommodation Service	0.0%	1.6%	4.8%	25.4%	57.1%	11.1%
Secure Accommodation Service	0.0%	0.0%	0.0%	40.0%	40.0%	20.0%
Support Service	0.2%	1.0%	7.6%	33.8%	50.0%	7.4%
Grand Total	0.2%	1.1%	7.4%	33.1%	52.6%	5.7%

(Source: CI grades at 31 March 2015 extract 01 April 2015)

#### Theme 4: quality of management and leadership

##### % of services with each grade

	Unsatisfactory	Weak	Adequate	Good	Very good	Excellent
Adoption Service	0.0%	0.0%	7.7%	43.6%	46.2%	2.6%
Adult Placement Service	0.0%	0.0%	18.4%	34.2%	44.7%	2.6%
Care Home Service	0.2%	4.3%	14.7%	40.2%	36.7%	3.8%
Child Care Agency	0.0%	0.0%	11.1%	40.7%	40.7%	7.4%
Childminding	1.6%	0.8%	5.7%	35.4%	51.3%	5.2%
Day Care of Children	0.3%	1.7%	6.8%	39.0%	48.3%	3.9%
Fostering Service	0.0%	0.0%	11.5%	36.1%	50.8%	1.6%
Housing Support Service	0.2%	1.5%	10.4%	33.1%	46.1%	8.8%
Nurse Agency	0.0%	0.0%	21.9%	25.0%	40.6%	12.5%
Offender Accommodation Service	0.0%	0.0%	0.0%	16.7%	66.7%	16.7%
School Care Accommodation Service	0.0%	1.6%	4.8%	25.4%	49.2%	19.0%
Secure Accommodation Service	0.0%	0.0%	0.0%	40.0%	20.0%	40.0%
Support Service	0.2%	1.6%	11.3%	35.9%	44.1%	7.0%
Grand Total	0.8%	1.6%	8.1%	36.8%	47.6%	5.2%

(Source: CI grades at 31 March 2015 extract 01 April 2015)